

Agency Purpose

The mission of the Department of Administration (Admin) is to help its customers succeed. Admin assists agencies in achieving their organizational and strategic goals by offering valuable services, products, advice, and expertise. Admin strives to reduce costs by working across government; to be recognized for its innovation and efficiency; and to offer an environment in which people thrive and enjoy their work. Among its fundamental strategic objectives is to develop and foster an "enterprise" vision for state government as envisioned by the state of Minnesota's Drive to Excellence. Admin provides strategic leadership and operational support for the Drive to Excellence.

Admin has changed significantly over the past biennium as a result of Drive to Excellence initiatives. On 7-1-2005, the Office of Technology and InterTechnologies Group were spun-off from Admin to become the Office of Enterprise Technology (OET), a new state agency headed by a state chief information officer appointed by the governor. Also, in 2005, the Building Codes and Standards Division of Admin was transferred to a consolidated Construction Codes and Licensing Division in the Department of Labor and Industry.

Core Functions

Admin provides a diverse range of business management, administrative, and professional services, and a variety of resources to government agencies and the public. The agency strives to assure that its customers have the facilities, tools, resources, and information necessary for achieving their objectives.

Operations

Admin serves state agencies and constitutional officers, political subdivisions, the legislature, government employees, and citizens. The agency's operations are categorized into three general areas:

- ⇒ **State Facilities Services** manages the state's real property, comprising land, buildings, and physical plant; provides services related to the construction, maintenance, and repair of about 30 million square feet of state-owned building space; leases buildings; manages Capitol Complex parking; coordinates recycling and energy conservation efforts; and serves as the state architect. In May 2005, the Building Codes and Standards Division of Admin was transferred by Executive Order to a consolidated Construction Codes and Licensing Division in the Department of Labor and Industry.
- ⇒ **State and Community Services** includes a variety of services and information resources for state and local governments, the business community, and the public. These include vehicle leasing and fleet management; risk management; information policy analysis; demographic and census information; geographic information systems; mail; the state archaeologist; Minnesota's Bookstore and the State Register; Office Supply Connection; and administrative support for the Environmental Quality Board. Two programs of state and community services have changed. The Municipal Boundary Adjustments Office was transferred in 2005 to the Office of Administrative Hearings, and the General Fund appropriation for the Local Planning Assistance Center was eliminated effective 7-1-2005, effectively terminating that service.
- ⇒ **Admin Management Services** consists of six business units. Materials Management is responsible for enterprise strategic sourcing strategy and initiatives, goods and services purchasing, professional and technical contracting oversight, and surplus property acquisition and disposal. Management Analysis and Development Division is state government's in-house business consultant. The Governor's Council on Developmental Disabilities advocates for persons with disabilities and families of persons with disabilities. The System of Technology to Achieve Results (STAR) program coordinates awareness of assistive technology for persons with physical disabilities. Financial Management and Reporting is the agency's

At A Glance

- ◆ Oversees more than \$1.8 billion annually in state purchasing.
- ◆ Manages over 450 building projects valued at \$260 million.
- ◆ Manages 890 state leases and 3.7 million usable square feet of leased space.
- ◆ Maintains the State Capitol and state buildings and grounds in the Capitol area.
- ◆ Provides population statistics, pyramids, and maps through the Datanet online information service.
- ◆ Processes 20.5 million pieces of mail and 3.3 million warrants and checks annually.
- ◆ Serves as state government's in-house management consulting and training organization, and the state's central clearinghouse on data practices.
- ◆ Operates as the state's internal insurance company, providing property and casualty insurance coverage.

budgeting and accounting office and performs state fiscal agent functions. Human Resources manages the agency's human capital needs and supports several other agencies, including OET. Management Services also encompass the operations of the Office of Commissioner, including executive management and legislative and communications functions.

Key Performance Measures

The agency has established three fundamental management goals:

- ⇒ Reduce the cost of government services and products available to government agencies.
- ⇒ Enhance customer relationships by reducing response times and increasing customer interaction to better understand customer needs.
- ⇒ Increase the effectiveness and efficiency of services available through the agency while enhancing the quality of life of Minnesotans.

Details about how the agency is performing in relation to these goals are available on the governor's department results web site, www.departmentresults.state.mn.us.

Budget

Admin is funded through a variety of sources including general, special revenue, federal, gift, and internal services/enterprise funds.

- ⇒ General Funds are primarily used for operations with statewide significance, including functions such as procurement, energy management, resource recovery, building construction, information policy analysis, coordination and documentation of geographic data, central mail delivery, and pass-through grants. The Minnesota Legislature appropriates these funds.
- ⇒ Special Revenue Funds are fee based and include: land management information services, parking, and the state employee commuter van service.
- ⇒ Federal and gift funds comprise the smallest segment of the agency's funding. The Developmental Disabilities Council and the STAR program secure federal funds through the U.S. Department of Health and Human Services and the U.S. Department of Education. Gift funds are donations accepted for the Governor's Residence Council.
- ⇒ Internal service/enterprise funds are the largest source of funds for the agency. Internal service funds come through fees charged primarily to state agencies for internal support services including insurance, fleet management, consulting, sale of office supplies, mail services and the leasing of facilities under the custodial control of Admin. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds are generated through fees charged to governmental entities, citizens, and businesses through the bookstore, surplus property, and cooperative purchasing of products and services.

At the beginning of FY 2007, the agency had 487.75 full-time employees.

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Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	25,848	20,375	20,375	20,375	40,750
Forecast Base	25,848	20,375	19,828	19,828	39,656
Change		0	(547)	(547)	(1,094)
% Biennial Change from 2006-07					-14.2%
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	19,970	21,203	19,828	19,828	39,656
Statutory Appropriations					
General	19	1,091	1,090	0	1,090
Misc Special Revenue	4,808	11,234	9,901	9,699	19,600
Federal	2,755	3,234	1,960	1,623	3,583
Risk Management	10,646	11,965	12,621	13,397	26,018
Gift	41	11	5	5	10
Plant Management	37,999	49,507	44,408	45,377	89,785
Documents And Publications	1,501	1,727	1,810	1,871	3,681
Management Analysis	1,551	1,755	1,828	1,903	3,731
Central Motor Pool	13,376	12,537	13,653	14,156	27,809
Central Stores	6,571	7,081	7,259	7,420	14,679
Materials Distribution	7,027	7,710	7,805	7,962	15,767
Central Mailing	8,452	8,231	8,494	8,759	17,253
Total	114,716	137,286	130,662	132,000	262,662
 <u>Expenditures by Category</u>					
Total Compensation	29,013	30,658	31,456	32,441	63,897
Other Operating Expenses	69,311	85,064	80,375	80,930	161,305
Capital Outlay & Real Property	1,118	399	17	0	17
Local Assistance	3,532	3,479	2,724	2,539	5,263
Other Financial Transactions	11,742	18,000	16,430	16,430	32,860
Transfers	0	(314)	(340)	(340)	(680)
Total	114,716	137,286	130,662	132,000	262,662
 <u>Expenditures by Program</u>					
State Facilities Services	45,162	64,105	57,753	57,393	115,146
State And Community Services	44,101	45,968	47,083	48,814	95,897
Administrative Mgmt Services	15,622	17,276	16,083	16,050	32,133
Fiscal Agent	9,831	9,937	9,743	9,743	19,486
Total	114,716	137,286	130,662	132,000	262,662
 Full-Time Equivalent (FTE)	 467.3	 497.1	 492.7	 490.3	

Program Description

The purpose of State Facilities Services (SFS) is to manage the land and buildings under the custodial control of the Department of Administration; provide leasing and land acquisition/disposition; professional project management for planning, design, and building construction; maintenance and repair of facilities under the custodial care of Admin; energy and recycling services; and leadership to other state agencies and public entities. Through a variety of participatory planning processes, agency long-term capital needs are identified and prioritized, with the overall goals of providing high quality, healthy, cost-effective, and serviceable facilities.

Budget Activities Included:

- ⇒ State Architect's Office
- ⇒ Plant Management
- ⇒ Real Estate Management

Further detail on each of these budget activities is included in subsequent pages of this budget document.

ADMINISTRATION DEPT

Program: STATE FACILITIES SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	3,058	3,058	3,058	3,058	6,116
Forecast Base	3,058	3,058	3,058	3,058	6,116
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	3,023	3,128	3,058	3,058	6,116
Statutory Appropriations					
General	19	1,091	1,090	0	1,090
Misc Special Revenue	4,117	10,243	9,178	8,958	18,136
Federal	4	134	19	0	19
Gift	0	2	0	0	0
Plant Management	37,999	49,507	44,408	45,377	89,785
Total	45,162	64,105	57,753	57,393	115,146
<u>Expenditures by Category</u>					
Total Compensation	15,298	15,950	16,882	17,419	34,301
Other Operating Expenses	20,425	33,434	27,964	27,084	55,048
Capital Outlay & Real Property	1,107	399	17	0	17
Other Financial Transactions	8,332	14,636	13,230	13,230	26,460
Transfers	0	(314)	(340)	(340)	(680)
Total	45,162	64,105	57,753	57,393	115,146
<u>Expenditures by Activity</u>					
State Architect'S Office	2,330	3,908	3,453	1,844	5,297
Plant Management	42,457	59,817	53,925	55,174	109,099
Real Estate Management	375	380	375	375	750
Total	45,162	64,105	57,753	57,393	115,146
Full-Time Equivalents (FTE)	275.0	292.0	294.7	293.4	

Activity Description

The State Architect's Office (SAO) delivers professional architectural, engineering, and construction resource services designed to improve the physical facilities of Minnesota government in accordance with: M.S. 16A.69, 16A.632, 16B.05, 16B.24, 16B.30, 16B.305, 16B.31, 16B.32, 16B.325, 16B.33, 16B.335, 16B.35, 16C.08, 16C.095, 16C.10, 16C.14, 16C.32, 16C.33, and 16C.34.

Population Served

SAO customers are state agencies with custodial control over facilities, and the occupants of and visitors to those facilities.

Services Provided

Services provided by SAO include:

- ◆ managing building design and construction, including contract administration, predesign, designer selection and oversight, and construction and post-construction administration for new/addition, remodeling, and asset preservation building projects;
- ◆ assisting with project planning and assessment;
- ◆ managing the Capital Asset Preservation and Replacement Account;
- ◆ managing hazardous materials surveys and abatement projects;
- ◆ assisting state agencies with Capital Budget preparation;
- ◆ managing predesign program by maintaining the Predesign Manual and reviewing/approving submittals;
- ◆ providing oversight of the statewide Facility Condition Audit;
- ◆ providing staff support and Admin's member for the State Designer Selection Board (SDSB);
- ◆ developing and maintaining Building Design Guidelines, with a checklist for consultant use;
- ◆ providing leadership for the State Facilities Management Group (SFMG); and
- ◆ managing "Buildings, Benchmarking, and Beyond" (B3) State Sustainable Design Program.

Historical Perspective

SAO provides a centralized resource for comprehensive and consistent architectural, engineering, and hazardous building materials management services to support state agency facility needs. The process of building design and construction has become increasingly complex from both a systems and technology standpoint as well as from the users' performance expectations. Increased technology and regulatory needs, including safety codes, building codes, health regulations, indoor air quality, sustainability, and environmental regulations also have a significant impact on this process. SAO continues working toward the integration of all of these so that project scope, cost, and schedule requirements are met in a consistent and high-quality manner. Toward this end, SAO has developed a consultant procedure manual, standardized forms, project initiation procedures, design criteria, and related information, all of which are available on the SAO web site (see address below).

Key Measures

FY 2006 accomplishments include:

- ◆ completion and full occupancy of new \$134 million state lab and Freeman office building for the co-location of the departments of Health and Agriculture;
- ◆ completion and full occupancy for new \$100 million Andersen office building for the Department of Human Services;
- ◆ completion of multi-phased abatement, renovation, and upgrade of the Veterans Service building while continuing to provide full building access and services for the occupants;
- ◆ implementing an interactive web-enabled master design roster application process that provides a current list of consultants for use by all state agencies;

Activity at a Glance

SAO provides planning, design, and construction resource services:

- ◆ for over 20 state agencies;
- ◆ for almost 5,000 state buildings;
- ◆ for over 450 active remodeling/repair projects, and several major new buildings, all of which require the processing of over 300 pay requests and 100 contracts monthly; and
- ◆ for 100 hazardous materials surveys and over 100 abatement projects annually.

ADMINISTRATION DEPT

Program: STATE FACILITIES SERVICES

Activity: STATE ARCHITECT'S OFFICE

Narrative

- ◆ promoting use of open market requisitions (OMR) and master contracts, eliminating use of professional/technical contracts for 75% of SAO projects;
- ◆ employing new technology to streamline distribution of professional/technical (PT) solicitations and construction bidding documents; and
- ◆ providing web-accessible recordings of SDSB meetings for the public.

Activity Funding

SAO receives a General Fund appropriation. Funding for projects that SAO manages is from general obligation bonds, General Funds, federal funds, matching grants, and gift funds. SAO also assists agencies with repair and restoration projects that are funded in agency operating budgets.

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ADMINISTRATION DEPT
 Program: STATE FACILITIES SERVICES
 Activity: STATE ARCHITECT'S OFFICE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,811	1,903	1,844	1,844	3,688
Statutory Appropriations					
General	19	1,091	1,090	0	1,090
Misc Special Revenue	500	782	500	0	500
Federal	0	130	19	0	19
Gift	0	2	0	0	0
Total	2,330	3,908	3,453	1,844	5,297
<u>Expenditures by Category</u>					
Total Compensation	1,672	1,721	1,687	1,644	3,331
Other Operating Expenses	658	1,788	1,749	200	1,949
Capital Outlay & Real Property	0	399	17	0	17
Total	2,330	3,908	3,453	1,844	5,297
Full-Time Equivalents (FTE)	19.7	19.7	17.9	16.9	

Activity Description

Plant Management (PMD) delivers consistent, quality services to ensure cost-effective, clean, safe, and environmentally sound buildings, grounds, and operations in accordance with M.S. 16B.24, 16B.32, 16C.143, 16C.144, 16B.58 and 115A.15 and Minnesota Session Laws 2001, chapter 212, article 1, section 3 and as amended by Minnesota Session Laws 2002, chapter 398, section 8.

Population Served

The majority of PMD's customers are state agencies and the legislature. Non-state agency customers include visitors and event participants, as well as:

- ◆ organizations leasing space or needing parking; and
- ◆ federal, regional, and local units of government requesting resource recovery services.

Services Provided

Services provided by PMD include:

- ◆ housekeeping, engineering, building management, refuse removal, grounds maintenance, snow removal, trade and repair services, and environmental and fire/life/safety systems;
- ◆ maintenance of ceremonial grounds, monuments, and memorials as a showplace for all Capitol Complex tenants, visitors, and Minnesota citizens;
- ◆ operating the State Recycling Center to prepare recyclables for market and administering the state Government Resource Recovery Program providing waste reduction and recycling assistance and education;
- ◆ conducting energy efficiency improvements in state-owned buildings;
- ◆ collecting energy usage data in all public buildings for establishing energy efficiency benchmarks;
- ◆ implementing energy forward pricing for state agencies to manage energy price risks;
- ◆ moving, equipment rental, and delivery services; and
- ◆ maintaining and managing parking facilities and contracts and providing alternative transportation services.

Historical Perspective

PMD ensures that all facilities are operated, repaired, and maintained in a cost-effective manner to preserve the integrity of the state's assets and provide a safe and comfortable environment for building tenants. As part of this goal, PMD maintains an Asset Preservation Program outlining necessary repairs for facilities. Failure to address deferred maintenance, due to limited funding, will cause serious structural damage, deterioration, and reduction in the life expectancy of buildings.

Key Measures

Service delivery accomplishments include the following:

- ⇒ *Leases* provided well-maintained facilities and supported a quality environment for building tenants through building tours, facility condition audits, and computer-assisted facilities management program.
- ⇒ *Resource Recovery Program* continued to meet or exceed the 60% recycling goal in the Capitol Complex in FY 2005 and FY 2006 as required by M.S. 115A.15.
- ⇒ *Energy Management* saved state agencies \$337,397 in FY 2005 and \$145,661 in FY 2006 through negotiated pricing for natural gas and fuel oil.
- ⇒ *Energy Management* completed state agency energy retrofit projects in FY 2005 of 344,000 square feet resulting in annual reduction of 1,422,073 kWh.

Activity at a Glance

Plant Management maintains:

- ◆ 4.3 million square feet;
- ◆ 21 buildings;
- ◆ 23 monuments/memorials;
- ◆ 30 parking facilities;
- ◆ 1,945 tons of material recycled in FY 2006;
- ◆ 50 million square feet served by Energy Management; and
- ◆ 498 permits issued for public use of state Capitol and grounds.

ADMINISTRATION DEPT

Program: STATE FACILITIES SERVICES

Activity: PLANT MANAGEMENT

Narrative

Activity Funding

PMD's internal service fund (ISF) is made up of three activities: Leases, Repair and Other Jobs, and Materials Transfer. The predominant customers are state agencies located in custodial control buildings that pay for space through lease rental rates. The goal of the ISF is to set rates as close to break-even as possible, while maintaining two-month working capital funds. Expenditures include salaries/benefits, utilities, operating expenses, bond interest, and building depreciation.

Full-time employees, as of 7-1-2006 were 238 for Leases, 12 for Materials Transfer, and two for Repair and Other Jobs.

PMD does not have a loan from the General Fund nor proposed investment in technology or equipment of \$100,000 or more.

Operating Losses/ Increases in Retained Earnings:

Retained earnings for the Lease activity increased in FY 2005 due to lower than anticipated expenses in utilities and salary savings due to staff vacancies and decreased in FY 2006, as planned. These changes in retained earnings will be reflected in Lease rates for FY 2008 and FY 2009.

Retained earnings for the Repair and Other Jobs activity increased in FY 2005 and FY 2006 due to higher than anticipated billable hours.

Retained earnings for the Materials Transfer activity increased in FY 2005 and FY 2006 due to an increase in billable hours.

History of Rate Changes:

Fiscal Year	2002	2003	2004	2005	2006	2007
Leases	4.54%	2.96%	(8.16%)	0.00%	(4.79%)	4.61%
Repair and Other Jobs	1.90%	2.26%	30.00%	5.00%	10.41%	0.00%
Materials Transfer	0.31%	4.70%	0.59%	0.00%	1.90%	0.00%

The increase in Lease rates in FY 2007 reflects return to normal rates following a one-time downward adjustment of the Stassen rate in FY 2006.

The change in Repair and Other Jobs rates is due to the planned return of positive retained earnings in previous years. Because rates were considerably lower than break-even, a rate increase was needed in FY 2006 to prevent the continued reduction of retained earnings.

The change in Materials Transfer rates is due to the general inflation of expenses.

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as FY 2006, the five largest Lease customers will pay 0.23% more in FY 2007. The five largest customers are the departments of Human Services, Health, Minnesota Historical Society, Public Safety, and Transportation.

Assuming the same volume and mix of goods/services as FY 2006, the five largest Repair and Other Jobs customers will pay the same amount in FY 2007. The five largest customers are the departments of Administration, Public Safety, Minnesota Historical Society, Office of Enterprise Technology, and Employee Relations.

Assuming the same volume and mix of goods/services as FY 2006, the five largest Materials Transfer customers will pay the same amount in FY 2007. The five largest customers are the departments of Administration, Human Services, Office of Enterprise Technology, Pollution Control, and Health.

ADMINISTRATION DEPT

Program: STATE FACILITIES SERVICES

Activity: PLANT MANAGEMENT

Narrative

In addition to the ISF, this activity is funded by a General Fund appropriation and revenue from several fees.

With the recent addition of offices and laboratories in the Capitol area, the Cedar Street ramp was constructed and two existing facilities (Lot Q and Centennial Ramp) were expanded to accommodate the increased parking demand. Costs associated with these projects are being recovered through parking rates.

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ADMINISTRATION DEPT
 Program: STATE FACILITIES SERVICES
 Activity: PLANT MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	837	845	839	839	1,678
Statutory Appropriations					
Misc Special Revenue	3,617	9,461	8,678	8,958	17,636
Federal	4	4	0	0	0
Plant Management	37,999	49,507	44,408	45,377	89,785
Total	42,457	59,817	53,925	55,174	109,099
<u>Expenditures by Category</u>					
Total Compensation	13,327	13,914	14,885	15,469	30,354
Other Operating Expenses	19,691	31,581	26,150	26,815	52,965
Capital Outlay & Real Property	1,107	0	0	0	0
Other Financial Transactions	8,332	14,636	13,230	13,230	26,460
Transfers	0	(314)	(340)	(340)	(680)
Total	42,457	59,817	53,925	55,174	109,099
Full-Time Equivalent (FTE)	250.9	267.9	272.7	272.8	

Activity Description

This activity provides real estate services to state agencies statewide that result in obtaining quality, efficient, and cost-effective property that meets the state's needs; and selling state surplus real property in a manner that maximizes a return to the state of Minnesota. Real Estate services are provided in accordance with M.S. 16B.24, 16B.25, 16B.26, 16B.31, 16A.28, 16B.281, 16B.282, 16B.283, 16B.284, 16B.285, 16B.286 and 16B.287.

Population Served

The activity provides direct real estate services to approximately 100 state agencies, divisions, boards, and councils. The public is served in the spaces provided to agencies conducting their operations and providing state services. Properties and spaces are provided for offices, workforce centers, residential facilities, emergency services, training, environmental services, laboratory testing, probation offices, driver vehicle services, health programs, licensing centers, and public records storage.

Activity at a Glance

The Real Estate Management Division:

- ◆ maintains a total of 890 leases of nonstate-owned and state-owned real property;
- ◆ currently leases 3.7 million useable square feet of nonstate-owned space and other real property at an annual cost of \$58.6 million;
- ◆ leases 2.2 million useable square feet of state-owned space under the custodial control of the Department of Administration to state agencies; and
- ◆ executes leases for approximately 63% of nonstate-owned space and 37% of state-owned space to state agencies through the Department of Administration.

Services Provided

The activity:

- ◆ identifies state-owned and nonstate-owned real property that efficiently and functionally meets agencies space needs;
- ◆ negotiates and drafts leases of state-owned and nonstate-owned real property to house state agencies in quality spaces at the most economical rent;
- ◆ provides space programming and monitoring of leasehold improvement construction in compliance with terms and conditions of leases;
- ◆ manages leases to assure compliance with terms and conditions including resolving day-to-day issues;
- ◆ provides relocation assistance including budgeting, preparing capital budget requests, managing budgets, processing relocation requests, and coordination;
- ◆ generates revenue by leasing state-owned real property temporarily not needed for state use, such as antenna space on communications towers;
- ◆ oversees building project financial analysis;
- ◆ assists agencies in site selection and oversees the due diligence process (appraisals, surveys, inspections, environmental assessments, and geo-technical reports);
- ◆ negotiates acquisition of real property;
- ◆ develops strategic plans for the disposition of state surplus real property, maximizing return to the state including obtaining appraisals, coordinating re-use studies, environmental assessments, master plans, and working with stakeholders (e.g., agencies relinquishing property, local units of government, Minnesota Historical Society, and neighborhood associations) on relevant issues;
- ◆ develops and issues easements and permits, and transfers custodial control of real property between agencies; and
- ◆ maintains databases of leases, floor plans, space management inventories, and state-owned land inventories for internal and external use.

Historical Perspective

In general, life-cycle cost analyses on owning and leasing real estate have shown that it is more economical to own than to lease facilities. Case-by-case life-cycle cost analyses of owning and leasing facilities have been historically used and will continue to be used to determine the most economic manner of providing space for state agencies.

Consolidation and co-location of agencies remains a priority. The result of these efforts has been to conserve resources by sharing space, equipment, and staff. Consolidation and co-location also offer the public the ability to obtain products and services and to conduct more than one transaction at a visible, accessible, easily identifiable location. Consolidation and co-location also facilitate transportation pools that lead to conserving resources, better accessibility, reducing pollution, and controlling parking development costs.

Key Measures

Measure: Negotiate state leases of nonstate-owned property so that increases in rental rates do not exceed an average of 2% per year.

Performance	FY 2006	FY 2007 (Est)
Percentage	1.09%	2.0%

Activity Funding

This activity is funded through a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: STATE FACILITIES SERVICES
 Activity: REAL ESTATE MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	375	380	375	375	750
Total	375	380	375	375	750
<u>Expenditures by Category</u>					
Total Compensation	299	315	310	306	616
Other Operating Expenses	76	65	65	69	134
Total	375	380	375	375	750
Full-Time Equivalents (FTE)	4.4	4.4	4.1	3.7	

Program Description

State and Community Services (SCS) offers a variety of services and information to state and local units of government as well as the citizens of Minnesota. The services and information provided reflect the mission of the Department of Administration to help its customers succeed.

Budget Activities Included:

- ⇒ Information Policy Analysis
- ⇒ Risk Management
- ⇒ Communications Media
- ⇒ Travel Management
- ⇒ State Demographer
- ⇒ Land Management Information Center
- ⇒ Environmental Quality Board
- ⇒ Office of the State Archaeologist

Further detail on each of these Budget Activities is included in subsequent pages of this budget document.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	2,921	3,012	3,012	3,012	6,024
Technical Adjustments					
Current Law Base Change			(547)	(547)	(1,094)
Forecast Base	2,921	3,012	2,465	2,465	4,930
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,803	3,248	2,465	2,465	4,930
Statutory Appropriations					
Misc Special Revenue	662	796	723	741	1,464
Federal	88	378	53	0	53
Risk Management	10,646	11,965	12,621	13,397	26,018
Gift	2	5	5	5	10
Documents And Publications	1,501	1,727	1,810	1,871	3,681
Central Motor Pool	13,376	12,537	13,653	14,156	27,809
Central Stores	6,571	7,081	7,259	7,420	14,679
Central Mailing	8,452	8,231	8,494	8,759	17,253
Total	44,101	45,968	47,083	48,814	95,897
<u>Expenditures by Category</u>					
Total Compensation	6,275	6,387	6,023	6,187	12,210
Other Operating Expenses	37,818	39,581	41,060	42,627	83,687
Local Assistance	9	0	0	0	0
Other Financial Transactions	(1)	0	0	0	0
Total	44,101	45,968	47,083	48,814	95,897
<u>Expenditures by Activity</u>					
Information Policy Analysis	427	425	425	425	850
Risk Management	10,646	11,965	12,621	13,397	26,018
Communications Media	16,962	17,488	18,006	18,493	36,499
Travel Management	13,473	12,633	13,749	14,252	28,001
State Demographer	439	471	454	454	908
Land Management Information	1,365	1,993	938	903	1,841
Environmental Quality Board	596	785	689	689	1,378
Office Of State Archaeologist	193	208	201	201	402
Total	44,101	45,968	47,083	48,814	95,897
Full-Time Equivalents (FTE)	90.6	91.9	86.0	85.6	

Activity Description

The Information Policy Analysis Division (IPAD) is where government entities, private sector organizations, the legislature, and citizens come for answers to data practices questions; consultation on data practices issues; help with public policy development; assistance in understanding and complying with complex legislation regulating information; dispute resolution services as they relate to data practices appeals; and assistance in exercising rights regarding access to information, protecting privacy, and challenging inaccurate or incomplete data.

Both the Minnesota Legislature and the federal government have either enacted statutes or promulgated extensive rules that deal with a variety of information-related issues. These statutes and rules include, among others, the Minnesota Government Data Practices Act, the federal Family Educational Rights and Privacy Act and related rules, M.S. 144.335 (the Medical Records Act), the federal Health Insurance Portability and Accountability Act of 1996 and related rules, the federal Freedom of Information and Privacy Acts, the Minnesota Official Records Act and the Minnesota Open Meeting Law Act. Historically, the executive branch and the legislature informally agree that expertise concerning these and other related laws should be available at no charge to government entities and citizens. As a General Fund activity, IPAD offers that expertise to government entities and citizens through a variety of functions and services.

Population Served

IPAD serves personnel of state and local government entities, private citizens, private sector organizations, public and private attorneys, and the legislature.

Services Provided

IPAD provides the following services to the population served: answering questions about rights under and requirements of various information laws; consulting on difficult information policy issues; providing staff services to the commissioner of Administration in performing statutory duties that include issuing data practices and open meeting law advisory opinions, acting on appeals to challenges to government data, acting on applications for temporary classification of data, and requests to make new uses of data; preparing and distributing training, model compliance, and informational materials; developing, updating, and operating a publicly accessible web site that contains all advisory opinions and all informational materials prepared by the division; offering training to state and local government entities; offering information sessions to citizens; providing training materials to enable government entities to do their own training; assisting citizens with answers to their inquiries and advice on how to exercise their rights; and working with the legislature, citizens, private sector groups, and state and local government agencies on the development of new information policy laws and changes to existing laws.

Historical Perspective

The Minnesota Government Data Practices Act was enacted in 1974. Since that time, M.S. Chapter 13 has grown through many revisions and additions as data practices discussions evolve. Issues of information policy, such as data privacy, fair information practices, identity theft, security breaches, and the need for government-computer-based systems to comply with the law continue to receive widespread attention. Statewide responsibility for establishing and maintaining the infrastructure that assists government entities and the public in dealing with these issues has been assigned to the commissioner of Administration and delegated to IPAD.

Activity at a Glance

On average, over the last five years, IPAD has annually:

- ◆ Issued 66 advisory opinions;
- ◆ Answered 4,780 inquiries from government entities;
- ◆ Resolved questions or requests for assistance from 2,144 citizens; and
- ◆ Provided 1,544 consultations to private and public attorneys.

IPAD receives inquiries by U.S. mail, e-mail, phone, and personal contact.

For the period 1-1-2005 through 6-30-2006, IPAD's web site had 164,376 visits.

Key Measures

IPAD focuses on the speed in which a customer receives a response, because timeliness is critical to effective service and increasing awareness and use of IPAD's web resources.

Two key measures of IPAD's effectiveness:

- ⇒ The first measure is the response time for an informal inquiry by phone or e-mail. From 1998 to 2003, IPAD set a goal that 85% of all inquiries received would receive a response by the end of the next business day. In FY 2003, the goal was changed to 90%. In FY 2004, the goal was raised to 95% which has been consistently exceeded.
- ⇒ The second measure quantifies the success of IPAD's outreach efforts to increase awareness and use of IPAD's web resources. Since FY 2006, the goal has been to increase usage by 5% each quarter. The objective of this measure is to provide 24-hour web resources to IPAD customers reserving critical staff resources for more complex customer inquiries. IPAD has consistently met this goal in FY 2006.

Activity Funding

This activity is funded through a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: INFORMATION POLICY ANALYSIS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	427	425	425	425	850
Total	427	425	425	425	850
<u>Expenditures by Category</u>					
Total Compensation	383	377	376	376	752
Other Operating Expenses	44	48	49	49	98
Total	427	425	425	425	850
Full-Time Equivalents (FTE)	4.9	4.5	4.5	4.3	

Activity Description

The Risk Management Division (RMD), operating under legislative authority of M.S. 16B.85, provides three major areas of service to state agencies, boards, bureaus, commissions, and political subdivisions:

- ◆ manage the Risk Management Fund (RMF), which operates as the state's internal insurance company providing property and casualty insurance coverage;
- ◆ purchase commercial insurance to meet agencies' needs when the placement of the insurance in the RMF may not be appropriate; and
- ◆ provide risk and insurance management consulting services on a wide variety of issues.

Activity at a Glance

- ◆ Serves over 100 state agencies, departments, boards, commissions, and political subdivisions;
- ◆ Property values insured total \$9.3 billion;
- ◆ Insure 14,350 vehicles; and
- ◆ Currently manage an open caseload of approximately 300 claims.

Population Served

State of Minnesota agencies, departments, boards, bureaus, and commissions, as well as political subdivisions.

Services Provided

The RMD, through its fund, offers five major lines of insurance: auto liability, auto comprehensive and collision, general liability, property, and boiler and machinery. The RMD also offers other miscellaneous lines that provide coverages that meet specific agency needs. Reinsurance is purchased to provide protection to the RMF against catastrophic or annual aggregation of property and extra-territorial liability losses.

When unique types of coverage are required, the RMD assists state agencies with purchasing appropriate insurance if self-insurance of the risk is not deemed appropriate for the RMF.

The RMD has an Advisory Committee made up of representatives from state agencies, academia, and the private sector.

In March of 2005, the RMD assumed responsibility, from the Attorney General's Office, for claim adjustment on uninsured tort claims. As of 6-30-2006, the open case load was 250 claims.

Historical Perspective

The legislature created the RMD in 1986 in response to the hard casualty insurance marketplace and the expectation that the state might not have been able to obtain auto liability insurance. The RMD started 1-1-1987.

In 1988, the first commercial general liability insurance was underwritten by the RMF. In 1994, automobile comprehensive and collision insurance was offered. In 1996, the RMF started to offer a full line of property and casualty insurance coverage with the creation of Minnesota State Colleges and Universities (MnSCU) and in response to their desire to have a comprehensive insurance program. Since that time, there has been a growing list of clients, which is now expanded to include political subdivisions.

The most critical issue facing the RMF is the continued retention of its customers during a very tight budget period and outside competition for the business lines other than auto liability. To maintain the viability of the fund pool, it is important that RMD do everything it can to retain its business by continuing to provide excellent customer service, delivering a superior product, and being price competitive with the marketplace.

Key Measures

The goal of the RMF is to provide insurance at a lower cost than the traditional insurance market. One measure is to compare industry overhead to the RMF. Over the past five years, the performance has been as follows:

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: RISK MANAGEMENT

Narrative

Fiscal Year	2002	2003	2004	2005	2006 (Est)
Industry Average Operating Expense Ratio	30.5	30.2	29.9	30.3	30.0
RMD Operating Expense Ratio (lower is better)	17.0	17.4	14.9	14.0	14.6

The RMD operating expense ratio to the industry over the last five years is at an average of 1.9:1. That is, for every \$1.90 the industry spends on operating expenses, the RMD spends \$1.00.

Activity Funding

RMD operates as an Internal Service Fund, charging fees based on insurance options requested by customers. RMD had 11 full-time employees on 7-1-2006.

There are no anticipated loans from the General Fund, or proposed investments in technology or equipment of \$100,000 or more.

Operating Losses/Increases in Retained Earnings:

Retained earnings decreased by \$594,300 in FY 2005, primarily due to adverse auto liability experience with large losses and five fatalities.

Dividends represent the return of premium for superior loss and expense experience. Premiums collected are invested by the State Board of Investment (SBI). The difference between premium and investment, less deductions for losses incurred and administrative expenses, equals the amount of funds that are eligible for dividend declaration. In the event of unsatisfactory experience, it is possible that no dividend would be declared.

In FY 2006, the Advisory Committee approved a dividend payment of \$1,361,289. The RMF has returned more than \$11 million in dividends to policyholders over the last 18 years.

History of Rate Changes:

Fiscal Year	2002	2003	2004	2005	2006	2007
Rate Change (by line)						
Auto Liability	.00%	(11.64%)	.00%	.01%	7.47%	8.24%
Auto Physical Damage	3.86%	.00%	.00%	.00%	.00%	1.37%
General Liability	.00%	(6.12%)	.00%	.00%	.00%	.00%
Property	.00%	191.31%	.00%	.00%	(21.05%)	.00%
Other	.00%	00%	.00%	.00%	.00%	.00%
Rate Change Average	1.46%	27.10%	.00%	.00%	(13.80%)	2.37%

Factors contributing to changes in premium rates:

- ◆ loss experience variation;
- ◆ increased claim potential due to additional volume;
- ◆ increased need to be proactive in risk management, loss control, and computer security; and
- ◆ fluctuations of the reinsurance marketplace (e.g. in FY 2003, reinsurance costs increased 286%).

Impact of Rate Changes:

Assuming the same volume and mix, the five largest customers will pay almost the same as in FY 2006. The five largest customers in FY 2006 were MnSCU and the departments of Administration, Natural Resources, Transportation, and Human Services.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: RISK MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Risk Management	10,646	11,965	12,621	13,397	26,018
Total	10,646	11,965	12,621	13,397	26,018
<u>Expenditures by Category</u>					
Total Compensation	836	864	898	932	1,830
Other Operating Expenses	9,810	11,101	11,723	12,465	24,188
Total	10,646	11,965	12,621	13,397	26,018
Full-Time Equivalents (FTE)	11.4	11.5	11.5	11.5	

Activity Description

The Communications Media Division provides a variety of publishing, retail, and distribution services to state and local government through three major businesses: Minnesota's Bookstore, Central Mail, and Office Supply Connection. Division work is outlined in several sections of Minnesota Statutes: Chapter 14 (*State Register*), 16B.49 (Central Mail), 16B.51 and 16B.52 (Minnesota's Bookstore), and 16C.03 (Office Supply Connection).

Population Served

- ◆ State government
- ◆ Local government
- ◆ School districts and higher education entities
- ◆ General public (Minnesota's Bookstore)

Services Provided

Minnesota's Bookstore provides services to the general public and state agencies through:

- ◆ Minnesota's Bookstore – a centralized publishing house for state agency-produced materials located in the Williams Hill Business Center at 660 Olive Street in St. Paul (the bookstore handles online, phone, mail, and fax orders and also operates a walk-in location that is open to the public 8 a.m. - 5 p.m. Monday - Friday);
- ◆ the state of Minnesota Mailing List Service – a centralized production and distribution outlet for the sale of selected state public licensing data to a national customer base; and
- ◆ the *State Register* – the state's official publication of record.

Central Mail provides mailing services that include metering and processing of all outgoing federal mail for agencies within the boundaries of St. Paul. Central Mail operates from the Transportation building at 395 John Ireland Boulevard in Saint Paul. This unit also provides inter-office services to all state agencies within Saint Paul including distributing federal mail for the Capitol Complex. Central Mail also provides addressing and inserting services (internal service fund – predominant customers are state agencies) resulting in reduced postage costs to state agencies. During FY 2006, Central Mail helped generate more than \$800,000 in postage savings through in-house bar coding and ink-jet addressing. Central Mail and the Office of Enterprise Technology have entered into a partnership to provide one-stop printing and mailing services to state agencies.

Office Supply Connection (OSC) sells office supplies to the three branches of state government through two programs: an in-house warehouse consisting of approximately 1,000 commonly used products located at 321 East Grove Street in St. Paul and a non-stocked office supply contract of approximately 3,000 products (known as First Choice) under an Enterprise program developed by a Drive to Excellence Team.

Historical Perspective

State agencies within the boundaries of St. Paul are required to use Central Mail for handling and processing of outgoing mail. This centralized operation allows small and large agencies to collectively achieve postage savings through the use of Central Mail's bar-coding and ink-jet addressing equipment and also helps to realize operational efficiencies such as staffing, equipment, and space. Since January 2006, executive branch agencies have been required to obtain office supplies from OSC with some exceptions. The increased volume of goods purchased, resulted in the average percentage discount for non-stocked (First Choice) products to increase from 46% to 52% off list price, resulting in significant savings to all customers.

Key Measures

The division's measurable objectives include:

- ⇒ Increasing the number of Minnesota's Bookstore online orders by 10% during FY 2006. The actual percentage increase for FY 2006 was 14.3%.

Activity at a Glance

- ◆ Minnesota's Bookstore will serve more than 70,000 customers during FY 2007.
- ◆ Central Mail will generate more than \$800,000 in postage savings during FY 2007 through its automated mail services.
- ◆ Electronic orders via Office Supply Connection's web site now account for more than 57% of eligible purchases.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: COMMUNICATIONS MEDIA

Narrative

- ⇒ Automating at least 90% of all state agency permit and metered letter mail during FY 2006. For FY 2006, the actual figure was 91.6%.
- ⇒ Increasing the amount of OSC online orders by 5% during FY 2006. The actual percentage increase for FY 2006 was 8.2%, although the more important trend is the percentage of online orders in relationship to the total number of orders (46.5% during FY 2004, 50.9% during FY 2005, and 57.3% during FY 2006).

Activity Funding

Virtually all funding for the Communications Media Division comes from the products and services it sells to its customers and operates through internal service and enterprise funds. The only General Fund appropriation for FY 2007 is used to operate the mail delivery portion of Central Mail. Total full-time employees in the division are 34.5 as of 7-1-2006.

The Communications Media Division does not have a General Fund loan or any proposed investment in technology or equipment of \$100,000 or more.

Minnesota's Bookstore is projected to generate annual revenue of approximately \$182,000 for the *State Register* during FY 2007. The revenue is generated from state agencies publishing material as well as a small number of enhanced electronic subscribers. Minnesota's Bookstore and the Mailing List Service are projected to generate approximately \$1.6 million in revenue during FY 2007. Most of this revenue is from the general public. The number of FTEs within Minnesota's Bookstore is 11.5.

Operating Losses/Increases in Retained Earnings: FY 2006 retained earnings for the *State Register* increased by \$7,000. Minnesota's Bookstore retained earnings decreased by \$51,000 during FY 2006.

History of Rate Changes (State Register):

Fiscal Year	2002	2003	2004	2005	2006	2007
Change	4.92%	5.97%	8.90%	0.00%	0.00%	0.00%

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as used in FY 2006, the *State Register's* largest customers (Administration, Human Services, Natural Resources, Transportation, and Pollution Control Agency) will pay no more in FY 2007 since rates did not change.

Central Mail is projected to generate annual revenue of approximately \$815,000 for addressing and inserting and \$7.45 million to offset postage expenses. The number of FTEs within Central Mail is 12.9.

Operating Losses/Increases in Retained Earnings: FY 2006 retained earnings for Central Mail increased by \$194,000 during FY 2006.

History of Rate Changes:

Fiscal Year	2002	2003	2004	2005	2006	2007
Change	7.70%	5.90%	0.00%	0.00%	1.40%	0.00%

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as used in FY 2006, Central Mail's five largest customers (Human Services, Public Safety, Public Employee Retirement Association, Revenue, and Health) will pay no more in FY 2007 since rates did not change.

OSC is projected to generate annual revenue of approximately \$7.2 million during FY 2007 from state agencies and local government. The number of FTEs within OSC is 10.1.

Operating Losses/Increases in Retained Earnings: FY 2006 retained earnings for OSC increased by approximately \$85,000.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: COMMUNICATIONS MEDIA

Narrative

History of Rate Changes:

Fiscal Year	2002	2003	2004	2005	2006	2007
Change	0.00%	0.00%	(0.82%)	0.82%	See note	0.00%

Note: During FY 2006, OSC changed its pricing structure from discount off list price to a cost plus model on non-stock inventory. No pricing changes were made on stocked inventory.

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as used in FY 2006, OSC's five largest customers (Transportation – Central Office, Health, Education, Corrections – Stillwater, and Commerce) will pay less based on the new contract pricing.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: COMMUNICATIONS MEDIA

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	438	449	443	443	886
Statutory Appropriations					
Documents And Publications	1,501	1,727	1,810	1,871	3,681
Central Stores	6,571	7,081	7,259	7,420	14,679
Central Mailing	8,452	8,231	8,494	8,759	17,253
Total	16,962	17,488	18,006	18,493	36,499
<u>Expenditures by Category</u>					
Total Compensation	2,111	2,033	2,115	2,200	4,315
Other Operating Expenses	14,852	15,455	15,891	16,293	32,184
Other Financial Transactions	(1)	0	0	0	0
Total	16,962	17,488	18,006	18,493	36,499
Full-Time Equivalent (FTE)	36.5	35.5	35.4	35.4	

Activity Description

The Travel Management Division (TMD) supplies vehicles to state programs for use in the conduct of official business. TMD also supplies vehicles to political subdivisions. TMD supplies support services for these vehicles including maintenance, fuel, and insurance.

Population Served

TMD provides vehicles to all branches of state government and to political sub-divisions including cities, counties, and school districts.

Services Provided

TMD operates a long-term rental program providing a wide variety of passenger vehicles and light trucks. These vehicles are packaged with vehicle services to provide a complete, easy to use transportation solution.

Historical Perspective

TMD was established in 1961 to help state agencies effectively meet transportation needs. It has grown and evolved over the years to more effectively address the changing needs of state government. TMD has expanded the types of vehicles provided, moving into a greater variety of light trucks. Vehicle life cycles are now tailored to better meet varying customer work requirements.

Key Measures

TMD strives to keep state fleet equipment in good operating condition and available for use. TMD has tracked vehicle out-of-service time over the last year. TMD vehicles have been available for use over 98% of the time.

Activity Funding

Travel Management operates as an internal service fund. No money is appropriated to TMD from the state's General Fund.

As of 7-1-2006, TMD had nine full-time employees.

General Fund Loans:

General Fund loans are used to refinance master lease loans so that the repayment schedules work within the division's cash flow constraints. The division purchases new vehicles on a regular replacement schedule throughout the year. Cash flow issues arise due to the need to pay for the purchase of fleet vehicles when received, but receiving reimbursement for use of the vehicle over an extended period of time. TMD's General Fund loan balance as of 6-30-2006 is \$3.5 million with payments scheduled through March 2007.

Operating Losses/Increases in Retained Earnings:

FY 2006 retained earnings increased by approximately \$1.417 million. Increased retained earnings are used to improve cash flow and reduce General Fund debt.

History of Rate Changes:

Fiscal Year	2002	2003	2004	2005	2006	2007
Change	6.0%	3.5%	5.7%	5.4%	4.3%	3.5%

Vehicle rates are calculated on an individual vehicle basis, taking into account acquisition cost, fuel economy, and life cycle. This rate structure offers TMD customers flexibility in managing vehicle expenses. It closely resembles private long-term rental programs. Rates are designed to charge fairly for many different vehicle types, sizes, and uses. Along with improving customer service, this enables TMD to keep better pace with costs in the automotive industry.

Activity at a Glance

- ◆ Provides state programs and political subdivisions with long-term rental vehicles and vehicle support services including fuel, insurance, and maintenance/repair.
- ◆ Assists state agencies and political subdivisions with fleet management planning, implementation, and ongoing review.
- ◆ Coordinates with other state agencies to implement consistent, cost effective fleet management practices throughout the state.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: TRAVEL MANAGEMENT

Narrative

Existing long-term rental vehicle rates were raised an average of 3.5% beginning in July 2006.

More information concerning TMD long-term rates can be found on the TMD web site and in the FY 2007 TMD Business Plan.

Impact of Rate Changes:

Assuming the same volume and mix of services as used in FY 2006, TMD's customers will pay approximately 3.5% more in FY 2007. TMD's five largest customers are the departments of Human Services, Public Safety, Corrections, Health, and Minnesota State Colleges and Universities.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: TRAVEL MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Misc Special Revenue	97	96	96	96	192
Central Motor Pool	13,376	12,537	13,653	14,156	27,809
Total	13,473	12,633	13,749	14,252	28,001
<u>Expenditures by Category</u>					
Total Compensation	721	796	824	855	1,679
Other Operating Expenses	12,752	11,837	12,925	13,397	26,322
Total	13,473	12,633	13,749	14,252	28,001
Full-Time Equivalents (FTE)	11.2	12.1	12.3	12.3	

Activity Description

The State Demographer provides demographic services as outlined in M.S. 4A.02. The State Demographic Center collects and analyzes demographic data; makes estimates and projections of population and population characteristics; identifies and monitors population trends; identifies demographic issues of potential policy implication; reviews and comments on estimates and projections made by other governmental organizations; aids the legislature in preparing the census data plan for redistricting and related purposes; and provides demographic data and information to the public. The State Demographic Center also serves as the state liaison to the U.S. Census Bureau.

Beginning in FY 2008 and continuing through FY 2011, the State Demographic Center will be preparing for and promoting the 2010 Census. The State Demographic Center will work with the Census Bureau to correctly specify geographic boundaries of cities and special enumeration areas, review and comment on initial census results, assist local governments in their review of results, promote census related jobs, and identify potentially difficult to enumerate populations. Additional efforts will include promoting the Census and responding to questions and concerns about the 2010 Census.

Allocation of funds for many federal and state programs as well as Congressional reapportionment and Congressional and legislative redistricting depend on the outcome of the Decennial Census. Forecasts indicate that Minnesota could lose one Congressional seat after the 2010 Census. Funding for a number of federal programs, ranging from transportation to housing, will depend on the quality of the 2010 Census count. The State Demographic Center will work to achieve a complete count for Minnesota in the 2010 Census.

Population Served

The State Demographic Center serves state elected officials, state government departments and agencies, legislators, local governments and local government officials, private citizens, and private sector organizations.

Services Provided

Major service categories include:

- ⇒ Prepare annual population and household estimates of counties, cities, and townships.
- ⇒ Prepare or review other estimates, as needed, including estimates of school districts for community education purposes, estimates for municipal boundary changes, and other special estimates.
- ⇒ Periodically prepare population and related projections for the state and specific areas of the state.
- ⇒ Act as liaison with the U.S. Bureau of the Census.
- ⇒ Continuously monitor demographic data and trends and prepare reports.
- ⇒ Work with the U.S. Census Bureau and legislature on the data for 2010 redistricting.
- ⇒ Provide demographic and related information on request.

Historical Perspective

The Minnesota State Demographer was created in 1973 by statute. Over the last 30 years, the State Demographic Center has provided early identification of critical trends and their implications on subjects such as aging, rural population decline, workforce supply issues, K-12 enrollment, higher education enrollment, infrastructure needs, changing diversity, state government workforce, housing and households, revenue collections, people with disabilities, and structural issues in the state budget.

Activity at a Glance

- ◆ Prepares annual population and household estimates for counties, cities, and towns outside the Metropolitan Council region.
- ◆ Plans for 2010 Census data for legislative and congressional redistricting.
- ◆ Projected high school graduates for the Minnesota Higher Education Office.
- ◆ Prepares reports and articles on demographic change and education, housing and housing prices, income, migration, foreign-born population, and aging.
- ◆ 139 presentations made in FY 2006.
- ◆ Serves in federal/state leadership positions giving Minnesota input on technical matters involving federal demographic programs.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: STATE DEMOGRAPHER

Narrative

Annual population and household estimates made by the State Demographic Center are a major component in a number of state government programs and funding formulas, including local government aid, transportation aid, levy limits, and community education levy. Population estimates and projections are also used to site and size major government infrastructure investments including roads, water treatment, schools, and other facilities.

Key Measures

- ⇒ Estimates prepared accurately and delivered in a timely manner.
- ⇒ Information provided accurately in a timely manner.
- ⇒ Projections and trend analyses providing critical information to state government operations.
- ⇒ Reports, articles, and presentations on demographic trends and their implications informing decision-making in Minnesota.

Activity Funding

The program operates through a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: STATE DEMOGRAPHER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	439	471	454	454	908
Total	439	471	454	454	908
<u>Expenditures by Category</u>					
Total Compensation	388	399	398	398	796
Other Operating Expenses	51	72	56	56	112
Total	439	471	454	454	908
Full-Time Equivalents (FTE)	4.7	4.8	4.8	4.8	

Activity Description

The Land Management Information Center's (LMIC) mission is to benefit the state by providing services and products that promote the effective and efficient use of geographic data and information technology. LMIC serves as a focal point for Geographic Information Systems (GIS) within Minnesota, coordinating many of the state's GIS activities and providing geospatial data services, geography-oriented decision support tools, and project consulting services that help organizations benefit from GIS and other geospatial technologies to improve their effectiveness. LMIC is authorized by M.S. 4A.05, subd. 2 and supports and receives advice from the Minnesota Governor's Council on Geographic Information, authorized through Executive Orders since 1991.

Activity at a Glance

During FY 2006, LMIC supported the state with:

- ◆ 220,000 user sessions providing maps, reports, data, and information about the state;
- ◆ 37,000 downloaded GIS data sets;
- ◆ 62,000 web requests for GIS metadata;
- ◆ 1,100 software and data CD's customized for non-technical GIS users and educators; and
- ◆ 33 contracts for GIS project services.

Population Served

LMIC serves the entire state's population, primarily by supporting business functions of state agencies and local units of government. LMIC also provides services to federal agencies, non-government organizations, educators, private citizens, and the state's elected officials.

Services Provided

LMIC offers GIS services and products in four key areas. These areas include:

Geospatial Technology Coordination: LMIC functions as the state's coordinating organization for geographic information technology. In this role, LMIC promotes coordinated solutions to applying geospatial technology within Minnesota by developing, promoting, and implementing technology standards; representing the state on the National States Geographic Information Council; serving as the state's liaison with the U.S. Geological Survey and other federal agencies; supporting coordination among local units of government; and staffing the Minnesota Governor's Council on Geographic Information. Although LMIC does not have explicit legislative authority for its coordination role, it has served in this capacity for almost 30 years.

Geospatial Data Services: LMIC functions as the state's steward of publicly funded spatial data. In this role, LMIC is responsible for organizing, safeguarding, and improving the value of these public investments by ensuring their availability and supporting their effective use. The Geographic Data Clearinghouse emphasizes services that promote widespread access to data maintained by state agencies through web portals that serve as One-Stop Shops. By offering efficient solutions to data acquisition, the Clearinghouse supports organizations throughout Minnesota, reducing their costs of operation while supporting their effectiveness.

Decision Support Systems: LMIC offers web services and software that provide interactive data retrieval, mapping, and analytical functions that assist thousands of users – policy makers, professionals, educators, students, and the public – by efficiently analyzing and displaying information to meet operational and strategic business needs. Desktop GIS software extends the benefits of geospatial technology to a non-technical audience. It is distributed to government and educational institutions, resulting in significant cost savings. Many programs are being converted to web-based services to extend their benefits to a broader audience.

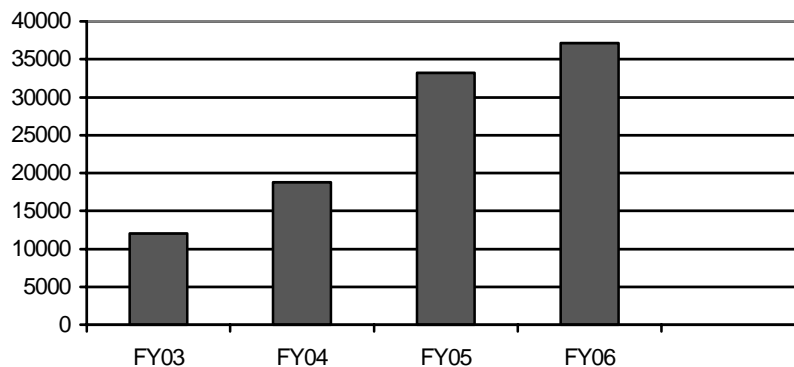
Geospatial Project Services: The Project Services Bureau was established to assist state agencies and other government clients with the design and implementation of projects that use GIS to meet their analysis, planning, and decision-making needs. While the first three listed areas rely on general funds, the work of the Service Bureau is entirely funded by project revenues. During FY 2006, LMIC conducted 30 projects with a total contract value of \$625,000.

Historical Perspective

LMIC was created in 1978 to promote the development and introduction of technology for mapping and analyzing the use of land and natural resources within the state. As the state's first organization devoted to using geographic information systems, LMIC served all of the state's GIS needs for some time. LMIC's role has evolved as the technology has been adopted by many state agencies and local governments. Rather than serving as a centralized GIS program, LMIC focuses on coordination of geospatial technology, promoting access to standardized geospatial data, developing GIS-based decision support tools that help organizations improve their effectiveness, and consulting with other agencies that need assistance with GIS technology. LMIC is recognized within the state and around the nation for leadership and creativity in the GIS field.

Key Measures

The Minnesota Geographic Data Clearinghouse serves as the state's principal source for geographically referenced data, which organizations use with mapping and GIS technology to support their activities. LMIC and the departments of Natural Resources, Transportation, and Pollution Control Agency, along with the Metropolitan Council, are major providers of data through the Clearinghouse. In FY 2006, users downloaded 86,648 data files from Clearinghouse partners, including 37,150 directly from LMIC. The value of staff time saved through these Clearinghouse services is estimated at more than \$8.5 million.

GIS Datasets Distributed by LMIC

Datanet is an integrated online warehouse of socioeconomic data, complemented by mapping and visualization functions, designed to inform policymakers, professionals, and the public about state issues. During FY 2006, Datanet use exceeded 116,000 user sessions and 1.1 million hits, an increase of more than 25% over FY 2004.

LMIC's Project Service Bureau is supported by a revolving fund and depends entirely upon revenues to meet its budget obligations. Low demands in FY 2004 produced a \$150,000 revenue decline that jeopardized its financial health. Since then, operating expenses have been reduced, demand for services has increased, and revenues have rebounded.

Activity Funding

LMIC is funded by a General Fund appropriation for GIS coordination, geographic data clearinghouse services, and maintaining decision support services. In addition, activities are supported by federal grants, contracts for services, and product sales. This hybrid funding structure provides a base level of support to sustain core functions while encouraging entrepreneurial behavior that has characterized LMIC since its creation.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: LAND MANAGEMENT INFORMATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	0	0	0	0	0
Technical Adjustments					
Current Law Base Change			(547)	(547)	(1,094)
Forecast Base	0	0	(547)	(547)	(1,094)
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	712	915	258	258	516
Statutory Appropriations					
Misc Special Revenue	565	700	627	645	1,272
Federal	88	378	53	0	53
Total	1,365	1,993	938	903	1,841
<u>Expenditures by Category</u>					
Total Compensation	1,166	1,188	698	711	1,409
Other Operating Expenses	190	805	240	192	432
Local Assistance	9	0	0	0	0
Total	1,365	1,993	938	903	1,841
Full-Time Equivalentents (FTE)	14.1	14.6	8.8	8.7	

Activity Description

The Environmental Quality Board (EQB) draws together the Governor's Office, five citizens and the heads of nine state agencies in order to develop policy, create long-range plans, and review proposed projects that would significantly influence Minnesota's environment. The Minnesota Legislature established the EQB in 1973 M.S. 116C to:

- ◆ ensure compliance with state environmental policy;
- ◆ oversee the environmental review process;
- ◆ coordinate environmental agencies and programs;
- ◆ study environmental issues;
- ◆ convene environmental congresses; and
- ◆ advise the governor and the legislature.

The board was also given water planning and coordination duties in 1983.

Population Served

The EQB represents the long-term environmental and economic interest of all Minnesota citizens, including those involved with or affected by development requiring environmental review and those interested in the coordination and development of plans and policies for the protection and management of the state's water resources.

Services provided

The EQB provides the public with an accessible forum for raising and discussing state environmental policies and decisions. The EQB oversees the statewide environmental review program (M.S. 116D.04-.06), including the preparation of environmental impact statements, environmental assessment worksheets, alternative urban areawide reviews, and generic environmental impact statements.

The board coordinates state water planning activities and develops the state water plan and biennial policy reports to the governor and legislature (M.S. 103A.204 and .43 and 103B.151).

The board also has authority concerning the release of genetically modified organisms (M.S. 116C.91-.98), the designation of state critical areas (M.S. 116G), the study of significant interagency environmental issues (M.S. 116C.04), and the convening of environmental congresses to exchange information and ideas about environmental improvement (M.S. 116C.04).

Historical Perspective

The EQB was established in 1973 as the state's environmental coordinating body. Over the last 30 years, EQB has undertaken a broad range of environmental studies, from barge fleeing to animal agriculture, forestry, urban development, copper-nickel mining, genetically modified organisms, land use management, and sustainable development.

Major changes came to board programs in 1980 (decentralization of environmental review), 1983 (addition of water planning duties), 1987 (environmental review and siting requirements for large natural gas and petroleum

Activity at a Glance

In FY 2006, EQB:

- ◆ Completed rulemaking on environmental review rule revisions.
- ◆ Initiated a second phase of rulemaking on further revision to the EQB rules.
- ◆ Published new online guidance documents for citizens, local government, and consultants.
- ◆ Published 26 issues of the EQB Monitor, the state's official newsletter for notification of environmental review documents and environmental hearings.
- ◆ Addressed 1,150 calls for technical assistance and processed 55 citizen petitions, 204 environmental assessment worksheets, 17 alternative urban areawide reviews, and 18 environmental impact statements.
- ◆ Produced guidance on JOBZones and the environment in conjunction with the Clean Water Cabinet.
- ◆ Initiated *Water Sustainability 2030* in conjunction with the Clean Water Cabinet, Department of Natural Resources, and others to estimate water demand to the year 2030 and compare expected demand with known supplies.
- ◆ Adopted *Protecting Minnesota's Waters: Priorities for the FY 2005-07 Biennium* and submitted it to the governor and legislature.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: ENVIRONMENTAL QUALITY BOARD

Narrative

product pipelines), 1995 (siting of large wind energy conversion systems), and 2005 (transfer of energy facilities siting to the Department of Commerce and the Public Utilities Commission).

The Department of Administration provides the board with the staff needed to carry out its statutory responsibilities.

Key Measures

- ⇒ Timely and informed management of state environmental review functions.
- ⇒ Improved coordination, policy development, and priority setting for water and other strategic environmental issues.
- ⇒ Strategic involvement of citizens and other stakeholders in the development and exercise of public policy.

Activity Funding

EQB programs are supported by a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: ENVIRONMENTAL QUALITY BOARD

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	596	785	689	689	1,378
Total	596	785	689	689	1,378
<u>Expenditures by Category</u>					
Total Compensation	526	565	556	557	1,113
Other Operating Expenses	70	220	133	132	265
Total	596	785	689	689	1,378
Full-Time Equivalents (FTE)	6.2	6.8	6.8	6.8	

Activity Description

The Office of the State Archaeologist (OSA) helps manage the state’s archaeological resources, including sites and data under provisions of the *Field Archaeology Act* (M.S. 138.31-138.42) and the *Private Cemeteries Act* (M.S. 307.08). In addition to federal legislation addressing cultural heritage resource management, state statutes including the *Outdoor Recreation Act* (M.S. 86A) and the *Minnesota Environmental Rights Act* (M.S. 116B) also speak to issues of archaeological resource management.

OSA reviews under these statutes are critical to preserving Minnesota archaeological resources and controlling impacts to public and private development costs. The processes involve the identifying, evaluating, and, in some cases, preserving archaeological sites, including unplatted burial sites over 50 years old.

Held annually each spring, Minnesota Archaeology Week is a key component of the OSA’s public participation and education programming. The OSA assumes the lead role in organizing, coordinating, and promoting this statewide series of events that celebrate Minnesota’s archaeological heritage. In 2006, an estimated 2,700 individuals attended Minnesota Archaeology Week activities.

Population Served

OSA clients include, but are not limited to: local, state, and federal agencies; representatives of Minnesota’s tribal communities; builders and development associations; cultural resource management firms; county historical societies; private homeowners; professional and avocational archaeologists; local heritage preservation commissions; educators and school districts; and other public and private agencies and individuals.

Services Provided

Major service categories include data management; consultation; licensing and project review; compliance enforcement; research; and information dissemination. Both integrated and interdependent, these program services function as a whole. As an example, the scheduling, cost, and progress of both public and private development projects depend on accurate and timely consultative services, which in turn require comprehensive data management, information dissemination, and research capabilities.

Historical Perspective

The State Archaeologist was created in 1963 by the *Field Archaeology Act*. In 1996, Executive Reorganization Order 175 established OSA as a division within the Department of Administration. OSA is currently administered as a unit of the Office of Geographic and Demographic Analysis.

Recent studies by the Management Analysis Division and the Office of the Legislative Auditor explored alternative funding options for the OSA. The Office of the Legislative Auditor’s April 2001 OSA program evaluation report concluded that “... the Office of the State Archaeologist should continue to receive its funding primarily from a General Fund appropriation, (and) the legislature should direct the office to determine the feasibility of charging fees to supplement its budget.” In the March 2002 assessment of the feasibility of supplementing OSA’s budget with fee-for-service funds, the Management Analysis Division of the Department of Administration concluded that “... a fee-for-service model does not appear to be in the best interest of the Office of the State Archaeologist or the state.”

Key Measures

Turnaround time for issuing archaeological licenses: target is within 10 days of receipt of application. (Note: OSA response time is not the sole variable in determining turnaround time as the Minnesota Historical Society must sign the licenses). In FY 2006 the turnaround goal was met 100% of the time. A new streamlined process was

Activity at a Glance

Key activity statistics related to OSA program for FY 2006 include:

- ◆ Reviewed/licensed 269 archaeological projects;
- ◆ Evaluated/accepted 290 site data forms;
- ◆ Completed 31 burial site investigation cases; and
- ◆ 2,700 participants attended Minnesota Archaeology Week.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: OFFICE OF STATE ARCHAEOLOGIST

Narrative

implemented in May 2006, reducing the total number of licenses issued. In most cases, licenses are now issued on a yearly basis to qualified archaeologists rather than for each project.

Turnaround time for review/correction of site data forms and issuance of Smithsonian Site Designation Numbers (SSDN): target is within seven days of receipt of correctly completed site forms. Actual average turnaround time met the goal 100% of the time.

The most comprehensive assessment of OSA's performance is described in the Office of the Legislative Auditor's 2001 OSA program evaluation report, which thoroughly documents the base of support for OSA program activities.

Activity Funding

The program operates through a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: STATE AND COMMUNITY SERVICES
 Activity: OFFICE OF STATE ARCHAEOLOGIST

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	191	203	196	196	392
Statutory Appropriations					
Gift	2	5	5	5	10
Total	193	208	201	201	402
<u>Expenditures by Category</u>					
Total Compensation	144	165	158	158	316
Other Operating Expenses	49	43	43	43	86
Total	193	208	201	201	402
Full-Time Equivalents (FTE)	1.6	2.1	1.9	1.8	

Program Description

The purpose of Administrative Management Services is to provide internal leadership to the agency in legislative, communications, administrative, and interagency support functions, as well as several specialized services including fiscal support to boards/councils and public affairs responsibilities. In addition, statewide leadership is provided in many areas in conjunction with the diverse operating divisions of the agency.

Budget Activities Included:

- ⇒ Executive Support
- ⇒ Financial Management and Reporting
- ⇒ System of Technology to Achieve Results (STAR)
- ⇒ Developmental Disabilities Council
- ⇒ Human Resources
- ⇒ Materials Management
 - ◆ Surplus Operations
 - ◆ Cooperative Purchasing
- ⇒ Management Analysis and Development
- ⇒ Strategic Planning and Performance Management

Further detail on each of these Budget Activities is included in subsequent pages of this budget document

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	4,562	4,562	4,562	4,562	9,124
Forecast Base	4,562	4,562	4,562	4,562	9,124
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,352	4,894	4,562	4,562	9,124
Statutory Appropriations					
Misc Special Revenue	29	195	0	0	0
Federal	2,663	2,722	1,888	1,623	3,511
Management Analysis	1,551	1,755	1,828	1,903	3,731
Materials Distribution	7,027	7,710	7,805	7,962	15,767
Total	15,622	17,276	16,083	16,050	32,133
<u>Expenditures by Category</u>					
Total Compensation	7,421	8,321	8,551	8,835	17,386
Other Operating Expenses	3,082	4,157	3,463	3,331	6,794
Local Assistance	1,708	1,434	869	684	1,553
Other Financial Transactions	3,411	3,364	3,200	3,200	6,400
Total	15,622	17,276	16,083	16,050	32,133
<u>Expenditures by Activity</u>					
Executive Support	427	509	446	446	892
Financial Mgmt And Reporting	733	1,103	806	806	1,612
Star	1,274	1,297	530	398	928
Developmental Disabilities Cou	1,463	1,499	1,432	1,299	2,731
Human Resources	413	525	461	461	922
Materials Management	9,059	9,858	9,889	10,046	19,935
Management Analysis	1,907	2,111	2,184	2,259	4,443
Office Of Strat Plan/Perf Mgmt	346	374	335	335	670
Total	15,622	17,276	16,083	16,050	32,133
Full-Time Equivalents (FTE)	101.5	113.0	112.0	111.3	

Activity Description

Executive support includes the communications, legislative, and data practices compliance functions of the department.

Population Served

This activity services executive management, the agency's divisions, state government, the public, and the media.

Services Provided

This activity provides services for the agency's executive management, including legislative and communications functions, departmental results collection and reporting, and data practices compliance. The activity also supports the state of Minnesota's Drive to Excellence government reform initiative.

Activity Funding

This activity is funded through a General Fund appropriation.

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Activity at a Glance

Executive support is responsible for:

- ◆ Serving as the initial point-of-contact within the agency for other state agencies, local units of government, media, and the public.
- ◆ Assisting with the state of Minnesota's Drive to Excellence government reform initiative.
- ◆ Managing the department's communications efforts with employees, other agencies, the media, and the public.
- ◆ Managing the department's legislative interests.
- ◆ Maintaining departmental results.

ADMINISTRATION DEPT
 Program: ADMINISTRATIVE MGMT SERVICES
 Activity: EXECUTIVE SUPPORT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	427	509	446	446	892
Total	427	509	446	446	892
<u>Expenditures by Category</u>					
Total Compensation	331	285	305	324	629
Other Operating Expenses	96	224	141	122	263
Total	427	509	446	446	892
Full-Time Equivalents (FTE)	5.1	4.2	4.0	4.0	

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: FINANCIAL MGMT AND REPORTING

Narrative

Activity Description

The mission of the Financial Management and Reporting Division (FMR) is to provide and promote financial management to the Department of Administration (Admin) and assigned boards and councils.

Population Served

Financial services, information, and transactions are provided to all divisions within the agency, six boards and councils, the Department of Finance, the Legislative Auditor, the legislature, and vendors.

Services Provided

Services provided include all aspects of budgeting, accounting, internal auditing, transaction processing, financial reporting and analysis, and performance management consultation and reporting. FMR staff act as liaisons and financial consultants for Admin's divisions and other customers. This activity strives to provide timely financial services and support while conforming to Generally Accepted Accounting Principles (GAAP). This facilitates the effective management of available resources as governed by laws, policies, and procedures of the accounting profession, and state and federal governments.

Key Measures

Agency Prompt Payment: M.S. 16A.124 requires state agencies to pay valid obligations to vendors within the vendor's early payment discount period, or in the absence of a stated period, within 30 days following receipt of the invoice for the completed delivery of the product or service.

Fiscal Year	2004	2005	2006	2007 (Est)
Prompt Payment goal: 97%	98.12%	98.29%	98.44%	98.00%
Number of payment transactions:	33,483	31,128	20,196	21,000

Activity Funding

This activity is funded through a General Fund appropriation.

This activity formerly managed the agency internal allocation account. This account was established in FY 1998 to manage certain costs that are distributed throughout all, or part of the agency. Beginning in FY 2006, costs are charged directly to activities.

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Activity at a Glance

- ◆ FMR administers the agency budget which for FY 2006 was approximately \$123 million.
- ◆ FMR aids nearly 40 divisions, agencies, boards, and offices in all types of financial matters.
- ◆ FMR produces 85 monthly, quarterly, and annual financial statements reporting the financial condition of the enterprise, internal service, and special revenue funds each year.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: FINANCIAL MGMT AND REPORTING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	704	908	806	806	1,612
Statutory Appropriations					
Misc Special Revenue	29	195	0	0	0
Total	733	1,103	806	806	1,612
<u>Expenditures by Category</u>					
Total Compensation	610	701	713	728	1,441
Other Operating Expenses	123	238	93	78	171
Other Financial Transactions	0	164	0	0	0
Total	733	1,103	806	806	1,612
Full-Time Equivalents (FTE)	8.5	9.9	9.8	9.5	

Activity Description

The Minnesota System of Technology to Achieve Results (STAR), established in 1989 and supported by funds from the Rehabilitation Services Administration, is Minnesota's Assistive Technology Act Program. STAR works closely with consumers and providers to develop a statewide network of resources related to assistive technology. Under the Assistive Technology Act of 1998, as amended, STAR continues to provide assistive technology (AT) training, technical assistance, public awareness activities, and statewide information and referral services. As part of Minnesota's three-year assistive technology plan, the STAR Program assures that Minnesotans have access to statewide AT centers specializing in device demonstrations and device loans, a bulletin-board style website for buying and selling used AT, and an "eBay" style web site for buying and selling used devices, and alternative financing options.

Activity at a Glance

- ◆ Assures Minnesotans have access to Assistive Technology (AT).
- ◆ Assures Minnesotans have the financial and other tools to acquire Assistive Technology (AT).

An AT device is any piece of equipment that is used to increase, maintain, or improve the functional abilities of a person with a disability.

Population Served

Minnesota has a disability rate of about 15%, or approximately 770,000 residents. Currently, over half of citizens 65 years of age and older have a disability. These individuals need some assistance in performing daily activities or participating in community life. STAR conducts activities promoting the availability and benefits of AT devices and services for these populations.

Services Provided

The STAR Program works at the state and national levels on legislation and policy for AT. It informs and advocates for AT through training, information, and referral. STAR works closely with Minnesotans with disabilities and providers to develop a statewide network of resources related to AT. These resources include device loan, device demonstration, device reutilization, and alternative financing options.

STAR works diligently to build collaborative relationships in the AT community. STAR, along with its nonprofit associates, is working with rural partners to assure statewide coverage of services. In addition, STAR works with state agencies and others in serving as a central clearinghouse for AT information, assessment, and application.

Historical Perspective

The STAR Program was established in 1989, and was identified as Minnesota's federally funded Assistive Technology Act Program. The STAR Program works closely with consumers to develop a statewide network of resources related to AT.

STAR's accomplishments over the past 15 years include:

- ◆ distribution of over 100,000 copies of the *Directory of Funding Resources for Assistive Technology* (now in its sixth edition);
- ◆ over 1,000 training sessions, presentations, and displays on AT throughout the state;
- ◆ national model for states developing their own AT Act programs;
- ◆ distribution of a quarterly newsletter (circulation of 7,200) to inform individuals and organizations of AT news, opportunities, and events;
- ◆ state government's source for training and information regarding web site accessibility, as required by federal law (to date, STAR has trained over 300 state web masters);
- ◆ development of and support for a statewide program of AT Networks (ATN) encompassing all of rural Minnesota working to increase out-state capacity to deliver AT services;
- ◆ outreach work and financial support to seven councils and organizations reaching over 12,000 individuals representing the communities of color in Minnesota;

- ◆ information on AT and referral to sources requesting help average over 5,000 calls each year from throughout the STAR network;
- ◆ launching the Minnesota Assistive Technology Loan Network (MATLN), a program for short-term loan of AT devices;
- ◆ funding for start-up programs, demonstration sites, laboratories, and projects working to serve the AT needs of Minnesotans with disabilities;
- ◆ development of a comprehensive accessible web site with links to AT resources;
- ◆ development and implementation of the monthly Access for All training series; and
- ◆ development of live streaming web casts, called *Where It's AT*, that bring AT to listeners (with streaming text for greater access). These programs are archived on the STAR web site for on-demand access.

Key Measures

- ⇒ Assure that Minnesotans have access to AT:
 - ◆ develop and support AT Centers throughout Minnesota for AT device loan and demonstration;
 - ◆ distribute, on average, 200 *Directory of Funding Resources for Assistive Technology* per month;
 - ◆ distribute a quarterly newsletter, *Constellations*, circulation 7,200; and
 - ◆ maintain an informational and interactive web site that identifies solutions to AT needs.
- ⇒ Assure that Minnesotans have the tools to acquire AT:
 - ◆ develop and support device reutilization programs; and
 - ◆ support alternative financing options.

Activity Funding

Funding for the STAR Program is obtained from the Rehabilitation Services Administration under the Assistive Technology Act of 1998 as amended by P.L. 108-364. Funding is currently \$397,860 per federal fiscal year. STAR does not receive a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: ADMINISTRATIVE MGMT SERVICES
 Activity: STAR

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Federal	1,274	1,297	530	398	928
Total	1,274	1,297	530	398	928
<u>Expenditures by Category</u>					
Total Compensation	214	255	234	243	477
Other Operating Expenses	162	338	116	77	193
Local Assistance	898	704	180	78	258
Total	1,274	1,297	530	398	928
Full-Time Equivalent (FTE)	3.0	3.0	3.0	3.0	

Activity Description

The Governor's Council on Developmental Disabilities (GCDD), authorized under the Developmental Disabilities Assistance and Bill of Rights Act (DD Act)(P.L. 106-402), works to assure that people with developmental disabilities, and their families, receive the necessary support/services to increase their independence, productivity, self-determination, integration, and inclusion in the community (IPSII).

Population Served

The GCDD's primary customer group is comprised of people with developmental disabilities, who make up about 1.13% of the state's population, or about 58,140 individuals, and their families. The other two customer groups are service providers and employers.

Services Provided

The GCDD is not a direct service provider. GCDD's business is information, education, and training for knowledge building, skills development, and attitude changes that lead to the IPSII results through three broad strategies – Partners in Policymaking®, Communications and Training, and Customer Focus and Quality Improvement.

At least 70% of the federal funds that GCDD receives each year are awarded primarily as grants to nonprofit organizations to carry out the following related strategies:

Partners in Policymaking®

- ◆ Basic Partners Program: Competency/value based leadership training program for adults with disabilities and parents of young children with developmental disabilities; teaches how to develop positive partnerships with elected officials for systems change;
- ◆ Partners Graduate Workshops: Advanced leadership training on topics such as grant writing and data practices;
- ◆ Longitudinal studies: Surveys conducted to track long-term results of Minnesota Partners graduates;
- ◆ Cultural outreach programs: Outreach, basic leadership skills training, and introduction to the concepts of the Partners program in the African American, Asian, and Hispanic communities; and
- ◆ Self-advocacy: Direct funding of Minnesota self-advocacy organizations to establish new self-advocacy groups and provide leadership training for self-advocates.

Communications and Training

- ◆ Publications: Education/resource materials on best practices available to citizens;
- ◆ Electronic Government Services: Conversion of products and services to a web-based format; maintaining an effective and current GCDD web site; conversion of the Partners program to e-learning; and
- ◆ Training conferences: Co-sponsorship funds awarded to agencies/organizations to support leadership training conferences.

Customer Focus and Quality Improvement

- ◆ Customer research: Determine customer needs, expectations, requirements on issues such as self determination, health care, and electronic government services;
- ◆ Application of Baldrige Quality Management Framework: Increase knowledge, understanding, application of Baldrige to GCDD's business; and

Activity at a Glance

- ◆ More than 14,364 Partners in Policymaking® program graduates nationally/internationally since 1987; including 676 graduates from Minnesota.
- ◆ During SFY 2006:
 - ⇒ A total of 102 Partners graduates participated in three advanced leadership training workshops.
 - ⇒ A total of 2,111 participants in seven leadership training conferences.
- ◆ A total of 161,047 publications disseminated (print and downloads); evaluation scores average 9.3 out of 10.0.
- ◆ A total of 149,870 unique web site visitors.
- ◆ A total of 50 people with developmental disabilities employed in the area of digital imaging.

- ◆ The GCDD does not regulate activities or set or enforce standards.

Historical Perspective

In the 1970s, the GCDD provided demonstration grants that funded diagnostic clinics, early intervention, self-advocacy, group homes, day programs, and regional planning councils.

In the 1980s, the GCDD provided demonstration grants for respite care, case management, employment, regional planning councils, and deinstitutionalization studies.

In the 1990s, the GCDD provided grants for youth leadership, Partners in Policymaking®, cultural outreach, and publications.

Key Measures

The GCDD tracks and reports the results of dozens of performance measures for the Department of Administration and the federal Administration on Developmental Disabilities. A few examples:

- ⇒ 30/60/90 day action plans: The targeted goal is 95% on time or early completion of work activities. SFY 2006 actual was 100%.
- ⇒ Cycle time of publication orders: The targeted goal is 90% of all publication orders filled within three days of the request. The industry standard for fulfillment is three days. SFY 2006 actual was 99%.
- ⇒ Quality of publications: The targeted goal is 8.5 (scale of 1 to 10; 10 = highest). SFY 2006 actual rating derived from surveys was 9.3.

Performance measures for the next fiscal year are established by the GCDD, identified in Requests for Proposals, and contained in GCDD's supplier contracts. Performance goals are tracked for each fiscal year for each supplier, and over time, through dashboards, IPSII measures, customer satisfaction, cycle time for reporting, progress meetings that correspond with quarterly reporting deadlines, mid-year performance reviews, and supplier final reports.

Activity Funding

The GCDD's annual allocation is part of a Congressional appropriation for the U.S. Department of Health and Human Services. The FFY 2006 allocation was \$1,021,571. Level funding is anticipated for FFY 2007. This federal allocation requires a 25% non-federal match, which is acquired through a General Fund appropriation and in-kind contributions. The GCDD has received additional federal funds for a Family Support 360 grant, with a match provided by the grantee.

The GCDD's planning and budgeting processes are directly connected to grant activities (70% of budget) and administrative spending (30% of budget). Budget allocations for grant activities begin with the three broad strategies and related sub strategies in the Five-Year State Plan. These are translated into an annual plan, specific grant activities, a preallocations memo, allocation recommendations, and GCDD approval. This process is repeated on an annual basis.

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ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: DEVELOPMENTAL DISABILITIES COU

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	74	74	74	74	148
Statutory Appropriations					
Federal	1,389	1,425	1,358	1,225	2,583
Total	1,463	1,499	1,432	1,299	2,731
<u>Expenditures by Category</u>					
Total Compensation	191	191	197	202	399
Other Operating Expenses	462	578	546	491	1,037
Local Assistance	810	730	689	606	1,295
Total	1,463	1,499	1,432	1,299	2,731
Full-Time Equivalents (FTE)	2.8	2.7	2.7	2.7	

Activity Description

The Human Resources Division provides human resources services to the employees, prospective employees, and management of the Department of Administration (Admin) and the Office of Enterprise Technology (OET) by actively recruiting, hiring, developing, and retaining a productive, diverse, and highly competent workforce. The division's work is subject to compliance with federal and state law as well as internal policies and procedures.

Activity at a Glance

- ◆ 150 new hires per fiscal year;
- ◆ 98% of labor grievances per fiscal year are resolved without arbitration; and
- ◆ 60% of employees provided onsite or offsite training per fiscal year.

Population Served

The Human Resources Division serves 500 employees of Admin, 300 employees of OET, and 16 additional employees of the Council on Asian/Pacific Minnesotans, the Council on Black Minnesotans, the Chicano/Latino Affairs Council, and the Ombudsman for Families.

Services Provided

The Human Resources Division provides the following services:

- ◆ recruitment and staffing;
- ◆ fringe benefits enrollment and administration;
- ◆ labor contract administration/employee relations;
- ◆ employee training and development;
- ◆ performance management and wage/compensation administration;
- ◆ Worker's Compensation, Occupational Safety and Health Administration (OSHA) compliance, and general safety/wellness program administration;
- ◆ Affirmative Action/ADA (Americans with Disabilities Act) and Family Medical Leave Act (FMLA) oversight and administration; and
- ◆ consultation on human resources management issues.

Key Measures

Human Resources strives to provide hiring supervisors and managers with a roster of qualified candidates for their vacancies within 48 hours of the application closing date on the Department of Employee Relations' web site. Human Resources staff work with supervisors and managers to establish appropriate qualifications for every vacancy filled.

An additional performance measure includes ensuring that all Admin employees' performance appraisals are current so that each employee in the agency has an annual review. Managers and supervisors who do not comply with this measure do not receive their performance increases.

Activity Funding

This activity is funded through a General Fund appropriation.

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ADMINISTRATION DEPT
 Program: ADMINISTRATIVE MGMT SERVICES
 Activity: HUMAN RESOURCES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	413	525	461	461	922
Total	413	525	461	461	922
<u>Expenditures by Category</u>					
Total Compensation	334	385	389	389	778
Other Operating Expenses	79	140	72	72	144
Total	413	525	461	461	922
Full-Time Equivalents (FTE)	5.6	6.0	6.2	6.0	

Activity Description

The Materials Management Division (MMD) acquires goods and services and disposes of surplus property using methods that ensure the best value for the taxpayers' dollars and conform to the highest ethical standards of public procurement. The division facilitates and oversees more than \$1.8 billion in state government purchases each year. The statutory framework for the division's activities is M.S. Chapter 16C – State Procurement.

Population Served

MMD operates in close partnership with state agencies to achieve a productive balance of centralized and delegated purchasing. Statewide and multi-state contracts negotiated by MMD currently serve more than 550 government entities including most other states and Minnesota's political subdivisions. MMD also works with Minnesota and out-of-state businesses to ensure fair competition and to resolve vendor performance issues.

Activity at a Glance

- ◆ Oversees \$1.8 billion annually in state government purchasing.
- ◆ Negotiates and manages approximately 1,500 enterprise contracts offering volume discounts to state agencies. Over 900 of these contracts are available for use by more than 550 local units of government. Purchases from these contract vendors exceed \$900 million annually from state agencies alone.
- ◆ Reviews over 4,000 professional/technical contracts and related documents per year.
- ◆ In FY 2006, returned in excess of \$7 million to agencies through auction sales and distributed federal surplus property valued at nearly \$1.5 million.

MMD's Surplus Services operation serves a population including state agencies, political subdivisions, various nonprofit organizations, and – with respect to its surplus auction and “garage sale” programs – the public.

Services Provided

The division provides a mix of direct services and compliance activities:

- ◆ purchasing and contracting for goods, services, utilities, and construction;
- ◆ recruiting and managing vendors;
- ◆ promoting environmentally sensitive purchasing;
- ◆ managing procurement functions through Minnesota Accounting and Procurement System (MAPS);
- ◆ reviewing and overseeing professional/technical contracts;
- ◆ monitoring compliance with state procurement law and policy, including training and auditing of state agencies;
- ◆ managing federal and state surplus property; and
- ◆ operating a cooperative purchasing program for Minnesota's political subdivisions and a pharmaceutical purchasing program on behalf of 43 states and the city of Chicago.

Historical Perspective

Minnesota's procurement laws attempt to balance numerous interests, including those of state agencies, vendors, small businesses, minority- or female-owned or economically disadvantaged businesses, environmental advocates, rehabilitation facilities, correctional industries, the visually impaired, and others. The legislature re-wrote Minnesota's procurement laws in 1998, reducing the number of mandates and moving from a “low-bid” to “best value” philosophy of procurement. MMD concurrently shifted to a less centralized approach where unlimited authority can be delegated to purchasing staff within agencies if they have demonstrated their competence and adherence to state standards. These changes have allowed MMD to reduce its role with respect to one-time, low-dollar-value purchases and to concentrate on the more complex and enterprise procurements, including contracts that aggregate public purchasing dollars to achieve volume discounts for standard items.

Over the past several years, MMD has further increased its use of strategic procurement “best practices” to assure the highest value to the state and its taxpayers:

- ⇒ Minnesota is the first state to implement “spend intelligence” software, providing a previously unavailable level of detail regarding the state's purchase of goods and services. This data is being used to develop commodity standards and negotiate deeper contract vendor discounts.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: MATERIALS MANAGEMENT

Narrative

- ⇒ Policies effective 8-1-2005 require that price be a significant factor (minimum weight of 30-40%) in evaluating "best value." A random selection of 104 past professional/technical contract awards identified a potential savings – had price been weighted at 40% - of approximately \$2.6 million on 19 contracts valued at \$9.7 million.
- ⇒ Related new policies also require heightened attention to negotiations. In addition to the above, the state has achieved approximately \$2.2 million in other one-time negotiated savings during FY 2005 and FY 2006.
- ⇒ Reduced pricing has been solicited from the state's contracted computer hardware vendors in conjunction with the development of new information technology (IT) commodity standards. With contract prices of standard personal computers dropping as much as 30%, government entities in the state will save in excess of \$19 million off list prices annually, with the bulk of those savings accruing to K-12 and higher education.
- ⇒ For the first time, agencies are working cooperatively to develop professional/technical contracts for multi-agency use.
- ⇒ Standards have been created for office chairs and new contracts have been negotiated with pricing for standard chairs averaging 40% less than the cost of non-standard chairs.
- ⇒ Prior to 7-1-2006, the state had contracts with six cell phone vendors featuring myriad service plans. New standardized plans with metered rates are expected to yield significant savings and reduce the frequency of public employees making personal calls on state-paid cell phones. One case study shows a savings of \$483 per year from one individual's previous plan.

Key Measures

Efficiency in procurement processing: MMD tracks the number of working days from an agency requisitioning a commodity or service to issuing a purchase order. During FY 2005, MMD issued these orders in an average of 13.6 days. In FY 2006, the average was 10.7 days, down from an average of more than 16 days in FY 2003 and FY 2004.

Efficiency in reviewing and approving contracts: MMD attempts to review professional/technical contracts, certifications, amendments, and related documents within three days of receipt. The average was 1.95 days in FY 2005. The average was 3.48 days in FY 2006, with the higher rate due to a staff vacancy that has subsequently been filled.

Use of innovative procurement tools: MMD is a recognized leader in the use of reverse auctions and won a 2005 Digital Government Award for its use of online reverse and surplus auctions. State agencies are expected to save \$5.3 million from the 238 reverse auctions held through the end of FY 2006.

Effectiveness in reuse of government property: Recycling surplus property meets both environmental and fiscal objectives. One goal has been to meet or beat the past record for dollars returned to state agencies through surplus' auction program each year. The goal was attained with \$6.6 million returned to agencies in FY 2005 and \$7.1 million in FY 2006.

Activity Funding

MMD's General Fund appropriation covers costs associated with delivery of centralized procurement services as well as oversight of delegated purchasing and professional/technical contracts. Surplus services and the division's cooperative purchasing programs are self-sustaining enterprise funds.

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ADMINISTRATION DEPT
 Program: ADMINISTRATIVE MGMT SERVICES
 Activity: MATERIALS MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,032	2,148	2,084	2,084	4,168
Statutory Appropriations					
Materials Distribution	7,027	7,710	7,805	7,962	15,767
Total	9,059	9,858	9,889	10,046	19,935
<u>Expenditures by Category</u>					
Total Compensation	3,836	4,369	4,545	4,714	9,259
Other Operating Expenses	1,812	2,289	2,144	2,132	4,276
Other Financial Transactions	3,411	3,200	3,200	3,200	6,400
Total	9,059	9,858	9,889	10,046	19,935
Full-Time Equivalents (FTE)	53.5	60.8	60.6	60.6	

Activity Description

The Management Analysis and Development Division (MAD) is the state of Minnesota's management consulting and training organization. MAD offers a wide range of consulting and training services to state and local governments and higher education in accordance with M.S.16B.36. MAD consultants have worked on hundreds of projects with all agencies, the legislature, many boards, units of local government, and higher education.

Population Served

MAD provides management consultation and training to state agencies, the governor, the legislature, higher education, and local and federal governments. The division's services are available to all public sector organizations on a fee-for-service basis. The direct recipients are public sector managers and executives; however, the ultimate beneficiaries are the state agencies, other public entities, the end users whose services are improved, and citizens.

Services Provided

MAD's services include organizational improvement, analysis, performance measurement, service quality improvement, customer relations, mediation, facilitation, organization design, evaluation, training and development, strategic planning, process flow or process mapping, process redesign, legislative studies, grant writing, surveys, transition services, contingency planning, and other executive branch coordination activities.

As a result of MAD's engagements, clients see improvements such as increased productivity, clearer direction, better working relationships, additional grant income, better data for decision-making, or increased cooperation with stakeholders and partners.

Historical Perspective

MAD began consulting activities in 1985. Since that time, requests for services have become increasingly complex and reflect the funding, societal, and policy pressures on public entities. Budget pressures and public expectations have increased the necessity for strategic and operational focus, accountability, streamlining, and cooperation.

MAD's consulting business began with seven engagements in 1985. Over the seven fiscal years from FY 2000 through FY 2006, the number of projects per year averaged 118. In FY 2004, the state's centralized training function, the Training and Development Resource Center merged with MAD, which significantly increased MAD's ability to respond to and provide training services and classes to its clients. In FY 2006, the division's work on behalf of the legislature included facilitation of the Environmental and Natural Resources Trust Fund Task Force, which developed and unanimously endorsed legislation revising the Trust Fund. MAD also facilitated the legislatively directed study of the future of the Ford building.

Key Measures

MAD's key measure is customer satisfaction. MAD staff provide analysis, facilitation, consultation, training, and technical assistance to address client needs. The degree to which those needs are satisfied is a key measure. Some work is quantifiable, but other efforts – such as getting diverse and competing stakeholders to come to consensus – are immeasurably important to the clients. MAD's goal is to achieve at least a 95% satisfaction rate annually; the actual result for FY 2006 was 95%.

Activity Funding

Four-fifths of the division's funding is from Internal Service Fund revenues from consulting, analytical projects, and training, and one-fifth from a General Fund appropriation. The General Fund covers activities such as: legislative mandates (testimony on and study of topics as requested by the legislature); cross-agency

Activity at a Glance

Management Analysis and Development:

- ◆ provides consulting and training services to state agencies, the legislature, local governments, the University of Minnesota, Minnesota State Colleges and Universities (MnSCU), and public K-12 institutions;
- ◆ averages 118 engagements per year; and
- ◆ provides consulting services at up to 50% less than comparable external providers.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: MANAGEMENT ANALYSIS

Narrative

management improvement projects (staffing or participating on task forces on performance management; providing managerial training; addressing emerging needs such as downsizing with one-on-one coaching for managers); and work on behalf of the state as a whole (conducting contingency planning for state operations; establishing a gubernatorial transition office).

MAD has 21 full-time employees as of 7-1-2006.

There are no loans from the General Fund, or proposed investments in technology or equipment of \$100,000 or more.

Operating Losses/Increases in Retained Earnings:

The division's approved rate increases are helping the division achieve the recommended minimum retained earnings level.

History of Rate Changes:

Fiscal Year	2002	2003	2004	2005	2006	2007
Hourly Rate	\$98	\$98	\$98	\$103	\$115	\$120
Change	3%	0%	0%	5%	12%	4%

Impact of Rate Changes:

The hourly rate in FY 2007 will be \$120, a 4% increase over FY 2006. The rate increase should have minimal impact on client agencies. The five largest customers in FY 2006 were the departments of Public Safety, Human Services, Labor and Industry, Corrections, and the University of Minnesota.

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ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: MANAGEMENT ANALYSIS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	356	356	356	356	712
Statutory Appropriations					
Management Analysis	1,551	1,755	1,828	1,903	3,731
Total	1,907	2,111	2,184	2,259	4,443
<u>Expenditures by Category</u>					
Total Compensation	1,583	1,787	1,861	1,931	3,792
Other Operating Expenses	324	324	323	328	651
Total	1,907	2,111	2,184	2,259	4,443
Full-Time Equivalents (FTE)	19.8	23.2	23.2	23.2	

Activity Description

The Office of Strategic Planning and Results Management has three primary purposes:

- ◆ identify and provide information to government officials on emerging trends, policies, and innovations in state, federal, and local government;
- ◆ promote best practices in government services to public service employees, private business, and members of the public; and
- ◆ work with state agencies in the creation and dissemination of performance measures and results data for citizens.

Activity at a Glance

- ◆ Provided more than 100 presentations about government innovations and reform to audiences around Minnesota during FY 2006;
- ◆ Coordinated the Government Performance Project Survey response, otherwise known as the *Governing* magazine Grading the States project; and
- ◆ Received more than 12,000 hits per month on the Department Results web site.

Population Served

These activities serve the citizens of Minnesota, the governor, legislators, commissioners, and staff.

Services Provided

- ⇒ Department Results – Published online the high priority goals, key performance measures, and most recent results data for the 25 cabinet departments and one other state agency. In 2006, three of these state agencies began reporting results data for the first time and were added to the web site. The Department Results pages are continuously updated as new data becomes available. This publicly-accessible web site (www.departmentresults.state.mn.us) provides citizens an opportunity to hold state government accountable for achieving desired results.
- ⇒ Issue Scanning – The office highlights recent trends and innovative practices in state, federal, and local government and distributes that information to the appropriate executive branch officials.
- ⇒ Innovation – The office provides speakers for presentations about government innovations and reform to civic groups around the state. The office represents and advises the governor on the Collaboration Working Group, which includes the Minnesota Association of Counties, the League of Minnesota Cities, the Association of Minnesota Townships, and the Minnesota School Boards Association. The group works on projects to increase collaboration between units of government. The office also represents the governor at the deputy commissioners group, particularly in their role as change leaders in state government.

Activity Funding

This activity is funded through a General Fund appropriation.

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ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: OFFICE OF STRAT PLAN/PERF MGMT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	346	374	335	335	670
Total	346	374	335	335	670
<u>Expenditures by Category</u>					
Total Compensation	322	348	307	304	611
Other Operating Expenses	24	26	28	31	59
Total	346	374	335	335	670
Full-Time Equivalents (FTE)	3.2	3.2	2.5	2.3	

Program Description

The purpose of the Fiscal Agent Program is to meet the administrative needs of the grant and other monies the Department of Administration (Admin) receives on behalf of multiple stakeholders. These funds are typically appropriated by the legislature for special projects. Admin distributes these funds to recipients, based on laws, statutes, policies, and procedures.

Budget Activities Included:

- ⇒ Public Broadcasting
- ⇒ In-Lieu of Rent
- ⇒ Misc. Grants/Studies/Other

Further detail on each of these Budget Activities is included in subsequent pages of this budget document.

ADMINISTRATION DEPT
 Program: FISCAL AGENT

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	15,307	9,743	9,743	9,743	19,486
Forecast Base	15,307	9,743	9,743	9,743	19,486
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	9,792	9,933	9,743	9,743	19,486
Statutory Appropriations					
Gift	39	4	0	0	0
Total	9,831	9,937	9,743	9,743	19,486
<u>Expenditures by Category</u>					
Total Compensation	19	0	0	0	0
Other Operating Expenses	7,986	7,892	7,888	7,888	15,776
Capital Outlay & Real Property	11	0	0	0	0
Local Assistance	1,815	2,045	1,855	1,855	3,710
Total	9,831	9,937	9,743	9,743	19,486
<u>Expenditures by Activity</u>					
Public Broadcasting	1,665	2,045	1,855	1,855	3,710
In Lieu Of Rent	7,888	7,888	7,888	7,888	15,776
Misc Grants/Studies/Other	278	4	0	0	0
Total	9,831	9,937	9,743	9,743	19,486
Full-Time Equivalents (FTE)	0.2	0.2	0.0	0.0	

Activity Description

Public broadcasting is the grant administration program carried out for the legislature under specific appropriation language and M.S.129D.11-16. The program oversees this grant authority, disbursing funds in accordance with legislative appropriations and direction, and ensures compliance with statutory requirements.

Population Served

Television viewers and radio listeners throughout Minnesota are served by this activity.

Services Provided**Public Television**

State funds are used by six recipient stations to sustain their ability to serve as a major community resource providing educational, cultural, economic development, public affairs, and children's programming to the public, governmental agencies, nonprofit organizations, business corporations, and educational facilities. State grants are made in a direct and matching basis, consistent with the criteria established in M.S. 129D.11-16. Public Television signals cover approximately 98% of the state. State grants provide between three and 21% of the individual stations' operating budget.

Public Radio

State funds are used to support the capital and operating needs of Association of Minnesota Public and Education Radio Stations (AMPERS) and capital projects (but no operating costs) for Minnesota Public Radio (MPR). Biennial grants to public radio stations are made pursuant to the underlying program established by M.S. 129D.14-16.

AMPERS - State funds are used to support radio stations operated by the 12 organizations belonging to AMPERS. These organizations serve Minnesota residents through radio programming that is local, unique in their communities, broadly educational, and serves underserved audiences. They provide programming designed to appeal to audiences not generally served by commercial broadcasters. In addition to their 12 main stations, they operate nine translators at other locations.

The AMPERS stations cover approximately 95% of the population and 90% of the geography of the state and serve 303,000 unique listeners per week. State grants provide between four and 60% of the individual stations' total annual budget.

MPR - State funds are used to support capital projects assuring listeners access throughout the state. MPR broadcasts on 33 stations in Minnesota that serve virtually the entire state. Nineteen translators provide additional coverage for hard-to-reach areas. Most areas are served by both a classical music station and a news and information station. A third service, the Current, is broadcast on stations in the Twin Cities and Rochester, providing new and roots music with an emphasis on music written or performed by Minnesota artists. The Current also promotes civic engagement by its younger audience. Broadcasts from MPR stations reach 795,000 unique listeners each week. MPR's three program services are also available as live, online audio at www.MPR.org.

In addition, MPR provides the state a regional network to deliver vital state security, safety, and public services including:

- ◆ technical infrastructure for the state's Emergency Broadcast System (EBS). MPR provides the EBS signal to all other radio, television, and cable stations in Minnesota;
- ◆ technical infrastructure for the state's AMBER Alert System (the child abduction warning system); and

Activity at a Glance

- ◆ 1.2 million people per week view programming of the Minnesota Public Television Association.
- ◆ Public Radio stations provide news, information, cultural programming, and public services.
- ◆ Approximately 303,000 people listen one or more times per week to AMPERS public radio stations.
- ◆ 795,000 people listen to MPR stations weekly.
- ◆ MPR provides the state with infrastructure and services for the Emergency Broadcast System, for the Amber Alert System, and for the blind and visually impaired.
- ◆ Metro Cable Network reaches 600,000 cabled households in the seven-county metro area.

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: PUBLIC BROADCASTING

Narrative

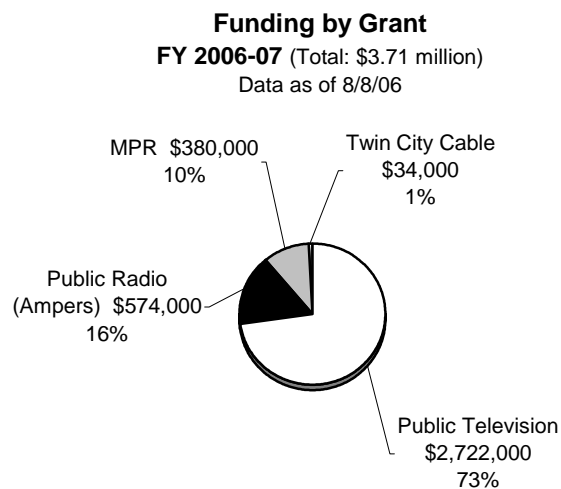
- ◆ special subcarrier signals that provide the Radio Talking Book – a reading service for blind and visually impaired persons in the state – in cooperation with Minnesota State Services for the Blind.

MPR uses the state's capital support to build, improve, and maintain its 30 stations in greater Minnesota. Capital support from the state provided approximately 1.8% of MPR's annual capital expenditures during the FY 2005-06 biennium, and represented about 0.5% of its total capital and operating revenue.

In addition to its regular capital and operating needs, public radio faces the immediate technical and financial challenge of converting to digital broadcasting. The one-time cost of digital conversion for AMPERS is approximately \$2.45 million and for MPR approximately \$8 million.

Twin Cities Regional Cable Channel

State funds are used to provide grant-in-aid to Twin Cities Regional Cable Channel, Inc., a nonprofit organization operating the Metro Cable Network. These state funds provide for approximately 5% of the Metro Cable Network operating budget. The network appears on Channel 6 on all metropolitan area cable systems presenting a wide range of programs about issues and activities of regional interest and significance as mandated by state statutes and designated by the Minnesota Cable Communications Board in 1985.



Activity Funding

This activity is funded through a General Fund appropriation.

Contact

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ADMINISTRATION DEPT
 Program: FISCAL AGENT
 Activity: PUBLIC BROADCASTING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,855	1,855	1,855	1,855	3,710
Forecast Base	1,855	1,855	1,855	1,855	3,710
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,665	2,045	1,855	1,855	3,710
Total	1,665	2,045	1,855	1,855	3,710
<u>Expenditures by Category</u>					
Local Assistance	1,665	2,045	1,855	1,855	3,710
Total	1,665	2,045	1,855	1,855	3,710

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: IN LIEU OF RENT

Narrative

Activity Description

This activity serves as a pass-through account for legislative General Fund appropriations for areas that are not subject to a lease agreement with the Department of Administration (Admin):

- ◆ Ceremonial Space – includes space in the Capitol Building such as the Rotunda; the governor's residence; and the ceremonial grounds and monuments/memorials in the Capitol area;
- ◆ Services for the Blind – space occupied by blind vending operators in buildings (eight sites) under Plant Management Division's custodial control (M.S. 248.07, subd. 7); and
- ◆ Rent Waived – space occupied in the Capitol, State Office Building, and Veterans Service Building by the house of representatives, senate, Revisor of Statutes, Legislative Reference Library, and congressionally chartered veterans' organizations (M.S. 197.55 to 197.58).

Activity at a Glance

- ◆ 362,817 square feet of space maintained;
- ◆ 20 monuments and memorials maintained; and
- ◆ 28.3 acres of ceremonial grounds maintained.

Population Served

Services and support are provided to the legislature and constituents, Services for the Blind vending operators, congressionally chartered veterans' organizations, and visitors.

Services Provided

Services provided include janitorial, maintenance, repair, trades, engineering, grounds, and utilities for the buildings and grounds identified above. The following is the breakdown of space (362,817 total square feet) serviced under this activity:

- ◆ Ceremonial Space – 37,120 square feet
- ◆ Services for the Blind – 2,821 square feet
- ◆ Rent Waived – 322,876 square feet

Activity Funding

This activity is funded through a General Fund appropriation.

Contact

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ADMINISTRATION DEPT
 Program: FISCAL AGENT
 Activity: IN LIEU OF RENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,888	7,888	7,888	7,888	15,776
Forecast Base	7,888	7,888	7,888	7,888	15,776
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,888	7,888	7,888	7,888	15,776
Total	7,888	7,888	7,888	7,888	15,776
 <u>Expenditures by Category</u>					
Other Operating Expenses	7,888	7,888	7,888	7,888	15,776
Total	7,888	7,888	7,888	7,888	15,776

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Narrative

Activity Description

This activity has been established to administer certain grants and other monies the agency receives through legislative appropriations.

Activity at a Glance

- ◆ Five construction grants to Political Sub-Divisions are currently in process.

Population Served

Various grant recipients are served based on specific legislative intent.

Services Provided

Each of the activities within this program is established and operated under specific state legislation. Emphasis is placed on fulfilling the intent of the specific legislation, which varies considerably with each activity. Processes are established and maintained to process financial transactions, track information, and report in various formats the information required and desired by various audiences. Contracts and agreements are an integral function of this activity. Administration (Admin) receives no operating funds for the administration of these grants and studies.

Construction Grants to Political Sub-Divisions

The legislature appropriates state funding to Admin for grants to local governments for a variety of capital projects. Funding may be approved through the state bonding bill or other state appropriation bills, in the form of bond proceeds or General Fund appropriations. Capital projects are subject to requirements of the Minnesota Constitution, state statutes, language contained in the appropriation bill, and state accounting policies. Current construction grants include: Itasca County Infrastructure Project (\$1 million); Bayport Storm Sewer/City of Bayport (\$2 million); Guthrie Theater (\$25 million); Children's Theatre (\$5 million); and Bald Eagle Center (\$500,000).

Governors Residence Council Gift Fund

Based on M.S. 16B.27, the council develops an overall restoration plan for the governor's residence and surrounding grounds and approves alterations in the existing structure. The council may solicit and accept donated money to maintain and improve the quality of furnishings for the public areas of the building. The Governor's Residence Council was established in 1980. Over the past several years, approximately \$28,500 has been donated to the council, and expenditures have included restoration, furnishings, and artwork.

Activity Funding

This activity distributes a mix of state, gift, and bonded funds.

Contact

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ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	440	0	0	0	0
Forecast Base	440	0	0	0	0
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	239	0	0	0	0
Statutory Appropriations					
Gift	39	4	0	0	0
Total	278	4	0	0	0
 <u>Expenditures by Category</u>					
Total Compensation	19	0	0	0	0
Other Operating Expenses	98	4	0	0	0
Capital Outlay & Real Property	11	0	0	0	0
Local Assistance	150	0	0	0	0
Total	278	4	0	0	0
 Full-Time Equivalents (FTE)	 0.2	 0.2	 0.0	 0.0	

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: COMM MEDIA – CENTRAL MAIL

Internal Service Fund

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	ESTIMATED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	8,455.7	8,265.5	8,513.5	8,768.9
LESS: COST OF SALES	0.0	0.0	0.0	0.0
GROSS PROFIT ON SALES	8,455.7	8,265.5	8,513.5	8,768.9
OTHER REVENUE				
NET REVENUES	8,455.7	8,265.5	8,513.5	8,768.9
LESS: OPERATING EXPENSES:				
SALARIES	327.5	412.4	439.2	474.5
SUPPLIES & EXPENSES	7,889.4	7,778.5	7,998.4	8,217.3
INDIRECT COSTS	9.0	40.3	41.5	42.8
AMORTIZATION & DEPRECIATION	36.2	30.3	32.2	33.2
TOTAL OPERATING EXPENSES	8,262.1	8,261.5	8,511.3	8,767.7
OPERATING INCOME (LOSS)	193.6	4.0	2.2	1.2
NON-OPERATING REVENUES (EXPENSES)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	193.6	4.0	2.2	1.2
BEGINNING RETAINED EARNINGS	912.3	1,105.9	1,109.9	1,112.1
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	1,105.9	1,109.9	1,112.1	1,113.3
RATE INCREASE/(DECREASE):	1.40%	0.00%	0.25%	0.25%
FTE	6.0	7.7	7.9	8.3
Expenditure Reconciliation to BBS				
Operating Expenses			8,511.3	8,767.7
Less amortization & depreciation (non cash)			(32.2)	(33.2)
Plus inventory			15.0	24.0
Total cash payments			8,494.1	8,758.5
BBS Amounts - Financing by Fund				
Central Mail			8,494	8,759
Receipt Reconciliation to BBS				
Net Sales			8,513.5	8,768.9
Plus interest revenue from Non-operating revenue/expenses			0.0	0.0
Total cash receipts			8,513.5	8,768.9
BBS Amounts - Revenue Collected				
Central Mail			8,514	8,769

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: COMM MEDIA – CENTRAL MAIL

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	0.0	0.0
OTHER CURRENT ASSETS	1,460.9	1,464.8
TOTAL CURRENT ASSETS	1,460.9	1,464.8
NON-CURRENT ASSETS:	72.3	74.5
TOTAL ASSETS	1,533.2	1,539.3
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	332.2	332.9
TOTAL CURRENT LIABILITIES	332.2	332.9
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	29.1	30.6
TOTAL NON-CURRENT LIABILITIES	29.1	30.6
TOTAL LIABILITIES	361.3	363.4
FUND EQUITY:		
CONTRIBUTED CAPITAL	66.0	66.0
RETAINED EARNINGS	1,105.9	1,109.9
TOTAL FUND EQUITY	1,171.9	1,175.9
TOTAL LIABILITIES & FUND EQUITY	1,533.2	1,539.3

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MANAGEMENT SERVICES

Internal Service Fund

Activity: MATERIALS MGMT - COOP PURCHASING

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	ESTIMATED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	4,742.8	6,211.0	6,538.0	6,843.0
LESS: COST OF SALES	0.0	0.0	0.0	0.0
GROSS PROFIT ON SALES	4,742.8	6,211.0	6,538.0	6,843.0
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	4,742.8	6,211.0	6,538.0	6,843.0
LESS: OPERATING EXPENSES:				
SALARIES	1,725.4	2,196.0	2,280.0	2,376.0
SUPPLIES & EXPENSES	745.1	801.0	840.0	883.0
INDIRECT COSTS	50.0	39.0	39.0	39.0
AMORTIZATION & DEPRECIATION	3.0	4.0	4.0	4.0
TOTAL OPERATING EXPENSES	2,523.5	3,040.0	3,163.0	3,302.0
OPERATING INCOME (LOSS)	2,219.3	3,171.0	3,375.0	3,541.0
NON-OPERATING REVENUES (EXPENSES)	(3,411.2)	(3,000.0)	(3,000.0)	(3,000.0)
NET INCOME (LOSS)	(1,191.9)	171.0	375.0	541.0
BEGINNING RETAINED EARNINGS	349.7	823.1	994.1	1,369.1
PRIOR PERIOD ADJUSTMENT	1,665.3	0.0	0.0	0.0
ENDING RETAINED EARNINGS	823.1	994.1	1,369.1	1,910.1
RATE INCREASE/(DECREASE):	0.00%	0.00%	0.00%	0.00%
FTE	22.8	29.8	29.7	29.7

Expenditure Reconciliation to BBS

Operating Expenses	3,163.0	3,302.0
Less amortization & depreciation (non cash)	(4.0)	(4.0)
Plus cash payment of rebate in Non-operating revenues/expense	3,000.0	3,000.0
Total cash payments	6,159.0	6,298.0

BBS Amounts - Financing by Fund

Materials Distribution (Portion of amount of fiscal page is for Surplus)	6,159.0	6,298.0
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Receipt Reconciliation to BBS

Net Sales	6,538.0	6,843.0
Total cash receipts	6,538.0	6,843.0

BBS Amounts - Revenue Collected

Materials Distribution (Portion of amount on fiscal page is for Surplus)	6,538.0	6,843.0
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Note: Contract fees paid by vendors are determined on a case-by-case basis and may either increase or decrease as specific contracts are negotiated.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MANAGEMENT SERVICES

Activity: MATERIALS MGMT - COOP PURCHASING

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	2,944.6	2,996.4
OTHER CURRENT ASSETS	1,337.8	1,463.7
TOTAL CURRENT ASSETS	4,282.4	4,460.1
NON-CURRENT ASSETS:	10.4	2.0
TOTAL ASSETS	4,292.8	4,462.1
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	3,343.6	3,320.0
TOTAL CURRENT LIABILITIES	3,343.6	3,320.0
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	126.1	148.0
TOTAL NON-CURRENT LIABILITIES	126.1	148.0
TOTAL LIABILITIES	3,469.7	3,468.0
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	0.0	0.0
RETAINED EARNINGS	823.1	994.1
TOTAL FUND EQUITY	823.1	994.1
TOTAL LIABILITIES & FUND EQUITY	4,292.8	4,462.1

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: MANAGEMENT ANALYSIS

Internal Service Fund

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	ESTIMATED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	1,640.8	1,782.1	1,856.4	1,930.7
LESS: COST OF SALES	0.0	0.0	0.0	0.0
GROSS PROFIT ON SALES	1,640.8	1,782.1	1,856.4	1,930.7
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	1,640.8	1,782.1	1,856.4	1,930.7
LESS: OPERATING EXPENSES:				
SALARIES	1,268.6	1,459.8	1,519.3	1,578.7
SUPPLIES & EXPENSES	253.5	224.8	236.0	247.8
INDIRECT COSTS	40.2	69.0	72.5	76.1
AMORTIZATION & DEPRECIATION	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	1,562.3	1,753.6	1,827.8	1,902.6
OPERATING INCOME (LOSS)	78.5	28.5	28.6	28.1
NON-OPERATING REVENUES (EXPENSES)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	78.5	28.5	28.6	28.1
BEGINNING RETAINED EARNINGS	127.0	205.5	234.0	262.6
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	205.5	234.0	262.6	290.7
RATE INCREASE/(DECREASE):	12.00%	4.00%	4.17%	4.00%
FTE	15.8	19.2	19.2	19.2
Expenditure Reconciliation to BBS				
Operating Expenses			1,827.8	1,902.6
Less amortization & depreciation (non cash)			0.0	0.0
Total cash payments			<u>1,827.8</u>	<u>1,902.6</u>
BBS Amounts - Financing by Fund				
Management Analysis			<u>1,828</u>	<u>1,903</u>
Receipt Reconciliation to BBS				
Net Revenues			1,856.4	1,930.7
Interest Income from Non operating revenue/expenses			0.0	0.0
Total cash receipts			<u>1,856.4</u>	<u>1,930.7</u>
BBS Amounts - Revenue Collected				
Management Analysis			<u>1,856</u>	<u>1,931</u>

ADMINISTRATION DEPT

Program: **ADMINISTRATIVE MGMT SERVICES**

Activity: **MANAGEMENT ANALYSIS**

Internal Service Fund

Financial Statement

	* FINANCIAL DATA *	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	172.4	39.4
OTHER CURRENT ASSETS	245.3	366.7
TOTAL CURRENT ASSETS	417.7	406.1
NON-CURRENT ASSETS:		
TOTAL ASSETS	417.7	406.1
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	77.0	81.2
TOTAL CURRENT LIABILITIES	77.0	81.2
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	135.2	90.9
TOTAL NON-CURRENT LIABILITIES	135.2	90.9
TOTAL LIABILITIES	212.2	172.1
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	0.0	0.0
RETAINED EARNINGS	205.5	234.0
TOTAL FUND EQUITY	205.5	234.0
TOTAL LIABILITIES & FUND EQUITY	417.7	406.1

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Internal Service Fund

Activity: MATERIALS MGMT – SURPLUS OPERATIONS

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	ESTIMATED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	1,431.4	1,630.4	1,630.0	1,630.0
LESS: COST OF SALES	300.2	367.0	367.0	367.0
GROSS PROFIT ON SALES	1,131.2	1,263.4	1,263.0	1,263.0
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	1,131.2	1,263.4	1,263.0	1,263.0
LESS: OPERATING EXPENSES:				
SALARIES	445.2	466.4	511.0	529.0
SUPPLIES & EXPENSES	376.2	604.7	731.0	731.0
INDIRECT COSTS	19.4	36.6	37.0	37.0
AMORTIZATION & DEPRECIATION	53.3	69.5	69.5	69.5
TOTAL OPERATING EXPENSES	894.1	1,177.2	1,348.5	1,366.5
OPERATING INCOME (LOSS)	237.1	86.2	(85.5)	(103.5)
NON-OPERATING REVENUES (EXPENSES)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	237.1	86.2	(85.5)	(103.5)
BEGINNING RETAINED EARNINGS	1,008.4	1,280.4	1,366.6	1,281.1
PRIOR PERIOD ADJUSTMENT	34.9	0.0	0.0	0.0
ENDING RETAINED EARNINGS	1,280.4	1,366.6	1,281.1	1,177.6
RATE INCREASE/(DECREASE):	0.00%	0.00%	3.00%	3.00%
FTE	7.9	8.3	8.3	8.3
Expenditure Reconciliation to BBS				
Operating Expenses			1,348.5	1,366.5
Less amortization & depreciation (non cash)			(69.5)	(69.5)
Plus purchase of items for resale (cost of goods sold)			367.0	367.0
Total cash payments			<u>1,646.0</u>	<u>1,664.0</u>
BBS Amounts - Financing by Fund				
Materials Distribution (Portion of amount on fiscal page is for Coop)			<u>1,646.0</u>	<u>1,664.0</u>
Receipt Reconciliation to BBS				
Net Sales			<u>1,630.0</u>	<u>1,630.0</u>
BBS Amounts - Revenue Collected				
Materials Distribution (Portion of amount on fiscal page is for Coop)			<u>1,630.0</u>	<u>1,630.0</u>

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: MATERIALS MGMT – SURPLUS OPERATIONS

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	887.9	923.8
OTHER CURRENT ASSETS	152.6	273.6
TOTAL CURRENT ASSETS	1,040.5	1,197.4
NON-CURRENT ASSETS:	622.7	552.0
TOTAL ASSETS	1,663.2	1,749.4
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	43.6	43.6
TOTAL CURRENT LIABILITIES	43.6	43.6
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	67.2	67.2
TOTAL NON-CURRENT LIABILITIES	67.2	67.2
TOTAL LIABILITIES	110.8	110.8
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	272.0	272.0
RETAINED EARNINGS	1,280.4	1,366.6
TOTAL FUND EQUITY	1,552.4	1,638.6
TOTAL LIABILITIES & FUND EQUITY	1,663.2	1,749.4

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Internal Service Fund

Activity: COMM MEDIA - MINNESOTA'S BOOKSTORE

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	PROJECTED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	1,498.8	1,768.8	1,821.9	1,876.5
LESS: COST OF SALES	370.8	412.4	437.2	450.4
GROSS PROFIT ON SALES	1,128.0	1,356.4	1,384.6	1,426.2
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	1,128.0	1,356.4	1,384.6	1,426.2
LESS: OPERATING EXPENSES:				
SALARIES	776.8	713.6	740.0	768.2
SUPPLIES & EXPENSES	322.1	542.6	555.8	568.5
INDIRECT COSTS	59.2	61.4	63.2	69.1
AMORTIZATION & DEPRECIATION	14.0	14.0	14.4	14.9
TOTAL OPERATING EXPENSES	1,172.1	1,331.6	1,373.5	1,420.7
OPERATING INCOME (LOSS)	(44.1)	24.8	11.2	5.5
NON-OPERATING REVENUES (EXPENSES) (Unus)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	(44.1)	24.8	11.2	5.5
BEGINNING RETAINED EARNINGS	840.8	796.7	821.5	832.7
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	796.7	821.5	832.7	838.1

FOOTNOTES TO STATEMENTS:

Statements include both the Bookstore and the State Register.

Rate change percentages are for the State Register only.

RATE INCREASE/(DECREASE): 0.00% 0.00% 0.00% 0.00%

FTE 12.4 11.2 11.2 11.2

Expenditure Reconciliation to BBS

Operating Expenses		1,373.5	1,420.7
Less amortization & depreciation (non cash)		(14.4)	(14.9)
Plus purchase of items for resale (cost of goods sold)		437.2	450.4
Plus purchase of equipment		14.0	15.0
Total cash payments		<u>1,810.3</u>	<u>1,871.2</u>

BBS Amounts - Financing by Fund
Minnesota's Bookstore

1,810 1,871

Receipt Reconciliation to BBS

Net Sales 1,821.9 1,876.5

BBS Amounts - Revenue Collected
Minnesota's Bookstore

1,822 1,877

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: COMM MEDIA - MINNESOTA'S BOOKSTORE

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL	ESTIMATED
	FY 2006	FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	614.4	661.3
OTHER CURRENT ASSETS	642.5	645.7
TOTAL CURRENT ASSETS	1,256.9	1,307.0
NON-CURRENT ASSETS:	41.5	51.5
TOTAL ASSETS	1,298.4	1,358.5
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	94.8	124.7
TOTAL CURRENT LIABILITIES	94.8	124.7
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	113.9	119.3
TOTAL NON-CURRENT LIABILITIES	113.9	119.3
TOTAL LIABILITIES	208.7	244.0
FUND EQUITY:		
CONTRIBUTED CAPITAL	293.0	293.0
RETAINED EARNINGS	796.7	821.5
TOTAL FUND EQUITY	1,089.7	1,114.5
TOTAL LIABILITIES & FUND EQUITY	1,298.4	1,358.5

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Internal Service Fund

Activity: COMM MEDIA - OFFICE SUPPLY CONNECTION

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	ESTIMATED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	6,428.6	7,122.7	7,265.2	7,410.5
LESS: COST OF SALES	5,041.6	5,662.6	5,739.5	5,854.3
GROSS PROFIT ON SALES	1,387.0	1,460.1	1,525.7	1,556.2
OTHER REVENUE	0.0	0.0		
NET REVENUES	1,387.0	1,460.1	1,525.7	1,556.2
LESS: OPERATING EXPENSES:				
SALARIES	614.7	588.9	626.9	653.0
SUPPLIES & EXPENSES	543.8	656.4	657.4	671.5
INDIRECT COSTS	143.2	197.5	203.4	209.5
AMORTIZATION & DEPRECIATION	0.0	6.5	4.0	3.0
TOTAL OPERATING EXPENSES	1,301.7	1,449.3	1,491.7	1,537.0
OPERATING INCOME (LOSS)	85.3	10.8	34.0	19.2
NON-OPERATING REVENUES (EXPENSES)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	85.3	10.8	34.0	19.2
BEGINNING RETAINED EARNINGS	687.8	773.1	783.9	817.9
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	773.1	783.9	817.9	837.1
RATE INCREASE/(DECREASE):	See note	0.00%	0.00%	0.00%
FTE	11.2	9.8	9.9	9.9
Expenditure Reconciliation to BBS				
Operating Expenses			1,491.7	1,537.0
Less amortization & depreciation (non cash)			(4.0)	(3.0)
Plus purchase of equipment			31.0	32.0
Plus purchase of items for resale (cost of goods sold)			5,739.5	5,854.3
Total cash payments			<u>7,258.2</u>	<u>7,420.3</u>
BBS Amounts - Financing by Fund				
MMD Office Supply Connection			<u>7,259.0</u>	<u>7,420.0</u>
Receipt Reconciliation to BBS				
Net Sales			<u>7,265.2</u>	<u>7,410.5</u>
BBS Amounts - Revenue Collected				
MMD Office Supply Connection			<u>7,265.0</u>	<u>7,411.0</u>

Note: During FY06, OSC changed its pricing structure from discount off list price to a cost plus model on non-stock inventory. No pricing changes were made on stocked inventory.

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: COMM MEDIA - OFFICE SUPPLY CONNECTION

Internal Service Fund

Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	1,078.1	1,076.9
OTHER CURRENT ASSETS	1,043.4	1,069.8
TOTAL CURRENT ASSETS	2,121.5	2,146.7
NON-CURRENT ASSETS:	0.0	30.0
TOTAL ASSETS	2,121.5	2,176.7
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	642.9	685.8
TOTAL CURRENT LIABILITIES	642.9	685.8
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	69.6	71.0
TOTAL NON-CURRENT LIABILITIES	69.5	71.0
TOTAL LIABILITIES	712.4	756.8
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	636.0	636.0
RETAINED EARNINGS	773.1	783.9
TOTAL FUND EQUITY	1,409.1	1,420.0
TOTAL LIABILITIES & FUND EQUITY	2,121.5	2,176.7

ADMINISTRATION DEPT

Program: STATE FACILITIES SERVICES

Activity: PLANT MANAGEMENT

Internal Service Fund

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	PROJECTED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	52,316.6	62,286.0	62,850.0	63,293.3
LESS: COST OF SALES				
GROSS PROFIT ON SALES	52,316.6	62,286.0	62,850.0	63,293.3
OTHER REVENUE	678.4	886.0	897.0	919.6
NET REVENUES	52,995.0	63,172.0	63,747.0	64,212.9
LESS: OPERATING EXPENSES:				
SALARIES	12,434.4	12,793.0	13,710.0	14,257.0
SUPPLIES & EXPENSES	15,720.1	22,122.0	17,388.0	17,747.0
INDIRECT COSTS	441.1	709.0	793.0	816.0
AMORTIZATION & DEPRECIATION	111.0	124.0	131.0	171.0
TOTAL OPERATING EXPENSES	28,706.6	35,748.0	32,022.0	32,991.0
OPERATING INCOME (LOSS)	24,288.4	27,424.0	31,725.0	31,221.9
NON-OPERATING REVENUES (EXPENSES)	(24,836.3)	(32,228.0)	(30,613.0)	(30,606.0)
NET INCOME (LOSS)	(547.9)	(4,804.0)	1,112.0	615.9
BEGINNING RETAINED EARNINGS	12,839.3	12,281.4	7,477.4	8,589.4
PRIOR PERIOD ADJUSTMENT	(10.0)	0.0	0.0	0.0
ENDING RETAINED EARNINGS	12,281.4	7,477.4	8,589.4	9,205.3
RATE INCREASE/(DECREASE):				
Leases	-4.79%	4.61%	-1.00%	0.70%
Materials Transfer	-1.90%	0.00%	0.00%	0.00%
ROJ	10.41%	0.00%	0.00%	0.00%
FTE	236.1	249.6	254.0	254.0
Expenditure Reconciliation to BBS				
Operating Expenses			32,022.0	32,991.0
Less amortization & depreciation (non-cash)			(131.0)	(171.0)
Plus payments for debt service and equipment			12,857.0	12,897.0
Total cash payments			<u>44,748.0</u>	<u>45,717.0</u>
BBS Amounts - Financing by Fund				
Plant Management			<u>44,748.0</u>	<u>45,717.0</u>
Receipt Reconciliation to BBS				
Net Sales			62,850.0	63,293.3
Plus Other Revenue			897.0	919.6
Total cash receipts			<u>63,747.0</u>	<u>64,212.9</u>
BBS Amounts - Revenue Collected				
Plant Management			<u>63,747</u>	<u>61,213</u>

Note: The Non-operating revenues/expenses relate to building depreciation and bond interest which are transferred out. It also includes debt service, interest revenue, interest expense, and gains on sale of fixed

ADMINISTRATION DEPT

Program: STATE FACILITIES SERVICES

Activity: PLANT MANAGEMENT

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	7,151.4	3,153.3
OTHER CURRENT ASSETS	8,579.7	7,773.8
TOTAL CURRENT ASSETS	15,731.1	10,927.1
NON-CURRENT ASSETS:	678.1	736.1
TOTAL ASSETS	16,409.2	11,663.2
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	2,538.5	2,553.4
TOTAL CURRENT LIABILITIES	2,538.5	2,553.4
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	1,078.4	121.5
TOTAL NON-CURRENT LIABILITIES	1,078.4	121.5
TOTAL LIABILITIES	3,616.9	3,674.9
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	510.9	510.9
RETAINED EARNINGS	12,281.4	7,477.4
TOTAL FUND EQUITY	12,792.3	7,988.3
TOTAL LIABILITIES & FUND EQUITY	16,409.2	11,663.2

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: RISK MANAGEMENT

Internal Service Fund

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	PROJECTED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	10,508.2	10,915.8	11,661.6	12,644.7
LESS: COST OF SALES				
GROSS PROFIT ON SALES	10,508.2	10,915.8	11,661.6	12,644.7
OTHER REVENUE				
NET REVENUES	10,508.2	10,915.8	11,661.6	12,644.7
LESS: OPERATING EXPENSES:				
CLAIMS	3,872.2	5,393.5	4,784.6	5,213.9
SALARIES	853.8	864.5	898.2	932.0
SUPPLIES & EXPENSES	4,195.5	4,654.6	5,157.7	5,415.6
INDIRECT COSTS	39.8	73.6	80.0	85.0
AMORTIZATION & DEPRECIATION	4.7	1.2	0.0	0.0
TOTAL OPERATING EXPENSES	8,966.1	10,987.3	10,920.5	11,646.5
OPERATING INCOME (LOSS)	1,542.1	(71.5)	741.1	998.2
NON-OPERATING REVENUES (EXPENSES)	(590.5)	(100.0)	(800.0)	(850.0)
NET INCOME (LOSS)	951.6	(171.5)	(58.9)	148.2
BEGINNING RETAINED EARNINGS	5,664.4	6,616.1	6,444.5	6,385.6
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	6,616.1	6,444.5	6,385.6	6,533.9
RATE INCREASE/(DECREASE):	-13.80%	2.37%	4.00%	5.00%
FTE	11.5	11.5	11.5	11.5
Expenditure Reconciliation to BBS				
Operating Expenses			10,920.5	11,646.5
Less amortization & depreciation (non-cash)			-	0.0
Plus dividend expense paid in same FY as declared			1,700.0	1,750.0
Total cash payments			<u>12,620.5</u>	<u>13,396.5</u>
BBS Amounts - Financing by Fund				
Risk Management			<u>12,621.0</u>	<u>13,397.0</u>
Receipt Reconciliation to BBS				
Net Revenues			11,661.6	12,644.7
Interest Income from Non-operating revenue/expenses			880.0	880.0
Total cash receipts			<u>12,541.6</u>	<u>13,524.7</u>
BBS Amounts - Revenue Collected				
Risk Management			<u>12,542.0</u>	<u>13,525.0</u>

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: RISK MANAGEMENT

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	16,354.7	16,996.1
OTHER CURRENT ASSETS	354.2	285.0
TOTAL CURRENT ASSETS	16,708.9	17,281.1
NON-CURRENT ASSETS:	19.1	8.9
TOTAL ASSETS	16,728.0	17,290.0
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	10,039.0	10,810.0
TOTAL CURRENT LIABILITIES	10,039.0	10,810.0
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	73.0	35.5
TOTAL NON-CURRENT LIABILITIES	73.0	35.5
TOTAL LIABILITIES	10,111.9	10,845.5
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	0.0	0.0
RETAINED EARNINGS	6,616.1	6,444.5
TOTAL FUND EQUITY	6,616.1	6,444.5
TOTAL LIABILITIES & FUND EQUITY	16,728.0	17,290.0

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: TRAVEL MANAGEMENT

Internal Service Fund

Financial Statement

(DOLLARS IN THOUSANDS)

Budget Activity Summary	OPERATIONS DATA			
	ACTUAL FY 2006	ESTIMATED FY 2007	PROJECTED FY 2008	PROJECTED FY 2009
OPERATING REVENUES:				
NET SALES	12,482.8	12,321.7	12,660.0	13,103.0
LESS: COST OF SALES				
GROSS PROFIT ON SALES	12,482.8	12,321.7	12,660.0	13,103.0
OTHER REVENUE				
NET REVENUES	12,482.8	12,321.7	12,660.0	13,103.0
LESS: OPERATING EXPENSES:				
SALARIES	724.5	789.5	818.1	849.3
SUPPLIES & EXPENSES	6,052.9	6,018.0	6,287.0	6,615.0
INDIRECT COSTS	321.9	360.0	373.0	386.0
AMORTIZATION & DEPRECIATION	3,692.1	4,800.0	4,968.0	5,141.9
TOTAL OPERATING EXPENSES	10,791.4	11,967.5	12,446.1	12,992.2
OPERATING INCOME (LOSS)	1,691.4	354.2	213.9	110.8
NON-OPERATING REVENUES (EXPENSES)	(275.2)	2.3	2.3	2.4
NET INCOME (LOSS)	1,416.2	356.5	216.2	113.2
BEGINNING RETAINED EARNINGS	3,610.4	5,027.7	5,384.2	5,600.4
PRIOR PERIOD ADJUSTMENT	1.1	0.0	0.0	0.0
ENDING RETAINED EARNINGS	5,027.7	5,384.2	5,600.4	5,713.6
RATE INCREASE/(DECREASE):	4.30%	3.50%	5.40%	4.80%
FTE	11.1	12.0	12.2	12.2
Expenditure Reconciliation to BBS				
Operating Expenses			12,446.1	12,992.2
Less amortization & depreciation (non cash)			(4,968.0)	(5,141.9)
Plus interest expense and purchase of vehicles			6,175.0	6,306.0
Total cash payments			<u>13,653.1</u>	<u>14,156.3</u>
BBS Amounts - Financing by Fund				
Travel Management			<u>13,653.0</u>	<u>14,156.0</u>
Receipt Reconciliation to BBS				
Net Revenues			12,660.0	13,103.0
Interest Income from Non operating revenue/expenses			350.0	350.0
Sale of used vehicles and miscellaneous revenue			1,993.0	1,993.0
			<u>15,003.0</u>	<u>15,446.0</u>
BBS Amounts - Revenue Collected				
Travel Management			<u>15,003.0</u>	<u>15,496.0</u>

Note: Non-operating revenue/expenses also includes gains on sale of used vehicles (non-cash item).

ADMINISTRATION DEPT

Program: STATE AND COMMUNITY SERVICES

Activity: TRAVEL MANAGEMENT

Internal Service Fund
Financial Statement

	FINANCIAL DATA	
	ACTUAL FY 2006	ESTIMATED FY 2007
ASSETS:		
CURRENT ASSETS:		
CASH	1,451.7	1,668.0
OTHER CURRENT ASSETS	1,216.1	3,065.8
TOTAL CURRENT ASSETS	2,667.8	4,733.8
NON-CURRENT ASSETS:	18,128.6	18,009.4
TOTAL ASSETS	20,796.4	22,743.2
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	3,500.0	5,000.0
MASTER LEASE - CURRENT	4,594.8	4,657.0
OTHER CURRENT LIABILITIES	1,057.8	1,100.0
TOTAL CURRENT LIABILITIES	9,152.6	10,757.0
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	6,032.8	6,000.0
OTHER NON-CURRENT LIABILITIES	81.3	100.0
TOTAL NON-CURRENT LIABILITIES	6,114.1	6,100.0
TOTAL LIABILITIES	15,266.7	16,857.0
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	502.0	502.0
RETAINED EARNINGS	5,027.7	5,384.2
TOTAL FUND EQUITY	5,529.7	5,886.2
TOTAL LIABILITIES & FUND EQUITY	20,796.4	22,743.2

ADMINISTRATION DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings (Inter-Agency):					
General	138	169	171	172	343
Grants:					
General	3,529	7,236	0	0	0
Other Revenues:					
General	1,142	5,070	0	0	0
Other Sources:					
General	1	0	0	0	0
Taxes:					
General	129	0	0	0	0
Total Non-Dedicated Receipts	4,939	12,475	171	172	343
<u>Dedicated Receipts:</u>					
Departmental Earnings (Inter-Agency):					
Misc Special Revenue	3,076	3,328	3,931	4,251	8,182
Risk Management	10,410	10,916	11,662	12,645	24,307
Plant Management	52,728	63,124	63,709	64,173	127,882
Documents And Publications	1,562	1,769	1,822	1,877	3,699
Management Analysis	1,176	1,373	1,406	1,450	2,856
Central Motor Pool	12,648	12,265	12,693	13,136	25,829
Central Stores	6,385	7,123	7,265	7,411	14,676
Materials Distribution	7,013	7,723	8,047	8,348	16,395
Central Mailing	877	815	844	869	1,713
Departmental Earnings:					
Misc Special Revenue	503	785	695	695	1,390
Grants:					
General	2,200	0	0	0	0
Federal	1,830	2,604	1,837	1,623	3,460
Other Revenues:					
General	1	0	0	0	0
Misc Special Revenue	597	570	603	104	707
Federal	41	40	8	0	8
Risk Management	722	880	880	880	1,760
Gift	20	8	4	4	8
Plant Management	62	49	38	40	78
Management Analysis	422	380	450	481	931
Central Motor Pool	2,211	2,260	2,310	2,360	4,670
Materials Distribution	143	118	121	125	246
Central Mailing	7,626	7,450	7,670	7,900	15,570
Other Sources:					
Misc Special Revenue	598	2,715	1,515	1,515	3,030
Total Dedicated Receipts	112,851	126,295	127,510	129,887	257,397
Agency Total Revenue	117,790	138,770	127,681	130,059	257,740